

# *RELOCATION ASSISTANCE* *GUIDANCE MANUAL*

COMMONWEALTH OF KENTUCKY  
TRANSPORTATION CABINET

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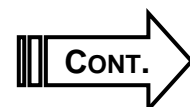
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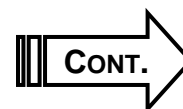


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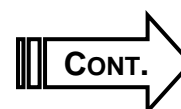
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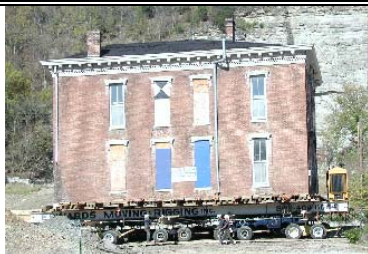
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 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>INTRODUCTION</p>
	<p><i>Subject</i></p> <p>Design of This Guidance Manual</p>

## ORGANIZATION & NUMBERING:

**Chapter (Section) Title**—The subject matter in the manual is divided into chapters or sections. The chapter (section) title appears in the upper right-hand corner of the first page of a subject and in the upper left-hand corner of any subsequent page.

**Subject Title**—The title of a subject appears in the upper right-hand corner of the first page of a subject and in the upper left-hand corner of any subsequent page.

**“RA” Prefix**—Preceding each subject number, this prefix stands for the manual title *Relocation Assistance*.

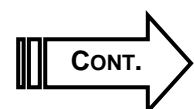
**Date**—The latest issuance date of a subject appears at the bottom of each page of the subject. This date agrees with the latest issuance date shown for the subject in the Table of Contents (**RA-01**).

**Page Numbering**—Each subject has its own page numbering, which appears at the bottom of each page.

## LOCATING INFORMATION:

Two indexes appear at the front of the manual, and one index appears at the back:

- **Table of Contents (RA-01)**—This index at the front lists the titles of the manual’s chapters (sections) and their subjects, as well as other information, in numerical order. It includes the latest issuance dates of all the subjects. As the manual matures, these dates change.
- **Alphabetical Index (RA-02)**—This index at the front alphabetically lists key information in the manual. Generally, it directs the user to subject titles and to margin, paragraph, and subparagraph headings within subjects.



**ORGANIZATION &  
NUMBERING (cont.):**

- **Table of Exhibits (RA-9900)**—This index at the back lists the manual's exhibits, including forms, worksheets, diagrams, etc., by number and title.

**CROSS-  
REFERENCES  
IN MANUAL:**

**Subject Numbers within Narrative**—A subject number within the narrative on a page directs the user to more information about the subject.

**QUESTIONS:**

**Whom to Contact**—For answers to questions about the contents of the manual, please contact:

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Transportation Cabinet Office Building  
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Frankfort, KY 40622  
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For copies of the manual, please contact:

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W4-26-02  
200 Mero Street  
Frankfort, KY 40622  
**(502) 564-3670**





## RELOCATION ASSISTANCE

### Chapter

## TERMINOLOGY

### Subject

## Definitions

**Acquired:** Legal possession, which occurs at closing in negotiated settlements and/or the date of deposit of the Commissioner's award in litigated cases.

### Acquisition Stage

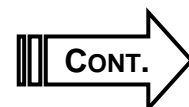
**Relocation Report:** A report the district provides to the relocation branch manager promptly after authorization of right-of-way acquisition. To compile the report, the district identifies a project's relocation impacts, interviews all displacees to ascertain their needs, and develops a plan for orderly relocations.

**Adverse Effects:** The totality of significant individual or cumulative human health or environmental effects, including interrelated social and economic effects, which may include but are not limited to:

- Destruction or disruption of community cohesion or a community's economic vitality
- Destruction or disruption of the availability of public and private facilities and services
- Displacement of a significant number of persons, businesses, farms, or nonprofit organizations
- Exclusion or separation of minority or low-income individuals within a given community or from the broader community
- The denial of, reduction in, or significant delay in the receipt of benefits of FHWA programs, policies, or activities

**Agency:** The federal agency, state, state agency, or person that acquires the real property or displaces a person

- A. **Federal Agency:** Any department, agency, or instrumentality in the executive branch of government, any wholly owned government corporation, or any person who has the authority to acquire property by eminent domain under federal law
- B. **State Agency:** Any department, agency, or instrumentality of the Commonwealth of Kentucky or of a political subdivision of the Commonwealth of Kentucky, or any person who has the authority to acquire property by eminent domain under state law



**Agency (cont.):**

- C. **Acquiring Agency:** A state agency defined under (B) above having the authority to acquire property by eminent domain under the law for Title 23 and 49 CFR 24 of the United States Code and KRS 56.610–56.760
- D. **Displacing Agency:** Any federal agency carrying out a program or project and any state, state agency, or person carrying out a program or project with federal financial assistance that causes a person to be displaced

**Appurtenance:**

A “thing,” such as a swimming pool or a utility shed, that is deemed to be incidental to the real property and adds benefit when it is used in conjunction with the property; any major external appurtenance to the residential dwelling that substantially contributes to the quality or standard of living of the displacee. Title to the appurtenance typically passes with the principal real property.

**Buildable Lot:**

A lot typical in size for residential use in the immediate community

**Business:**

Any lawful activity, except a farm operation, conducted:

- Primarily for the purchase, sale, lease, and/or rental of personal and/or real property
- Primarily for the manufacture, processing, and/or marketing of products, commodities, or any other personal property
- Primarily for the sale of services to the public
- By a nonprofit organization that has established its nonprofit status under applicable federal and state law
- Primarily for outdoor advertising display purposes when the display(s) must be moved as the result of a highway project and solely for reimbursement of actual moving expenses, tangible loss of personal property, and eligible search expenses

**Cabinet:**

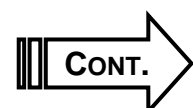
Kentucky Transportation Cabinet or KYTC

**Carve-Out:**

The method used for adjusting an atypical subject property acquisition to a typical homesite. This is necessary to compute replacement-housing benefits.

**Certified Pre-Move Inventory:**

A list and/or photographs of items to be included in a residential or nonresidential move. Such inventory is prepared before the move and attested to by the displacee and the relocation agent. Residential moves need to only identify sufficient inventory to justify the room count. Business moves may be both itemized and photographed.



**Certified Post-Move Inventory:**

A verified list and/or photographs of items actually moved to the replacement site as a part of a residential or nonresidential relocation. Such inventory is prepared after the move is complete and is attested to by the relocation agent and the displacee.

**CFR:**

Code of Federal Regulations

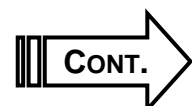
**Comparable Replacement Dwelling:**

A dwelling that is:

- Decent, safe, and sanitary as defined in these procedures
- Functionally equivalent to the displacement dwelling

*Functionally Equivalent:* The dwelling performs a similar function and provides similar utility. While it need not possess every feature of the acquired dwelling, the principal features must be present.

- Adequate in size to accommodate the occupants. The number of bedrooms at the replacement dwelling should be the same as that of the acquired dwelling, unless more are needed to meet the following requirements:
  - ◆ Children of the opposite sex under age six may occupy the same bedroom.
  - ◆ One child under age two may occupy the parents' bedroom.
  - ◆ Except for husbands and wives and couples living together by mutual consent, adult persons of the opposite sex should not be required to occupy the same bedroom, nor should children over the age of six.
  - ◆ For a person receiving government housing assistance before displacement, a dwelling that may reflect similar government housing assistance. In such cases, any requirements of the government housing assistance program relating to the size of the replacement dwelling shall apply.
- In an area not subject to unreasonable adverse environmental conditions and not generally less desirable than the location of the displaced person's dwelling with respect to public utilities and commercial and public facilities and reasonably accessible to the person's employment
- On a lot typical in size for residential use in the immediate community, with typical site land improvements
- Currently available to the displaced person on the private market



**Comparable  
Replacement  
Dwelling (cont.):**

- A comparable replacement dwelling for a person receiving government housing assistance before displacement may reflect similar government housing assistance.
- A comparable replacement dwelling for a disabled person provides unrestricted egress to safe, open space at ground level.
- Within the financial means of the displaced person

**Conceptual Stage****Relocation Report:**

A report developed to be used in determining the final location of a project. It is included in the socioeconomic base studies of the NEPA document for a transportation project.

This report or study is a comparative analysis of the relocation impacts for all alternatives being considered for a project. Relocation impacts are a consideration in project location selection. The study should include residential, business, and nonprofit impacts as well as availability of replacement dwellings, cost, number of potential last-resort housing, and any other major consequence, such as environmental justice or adverse community impacts. The function of this report is to identify the relocation impacts for all proposed alternates being considered. Final decision-making for project location includes right-of-way impacts and program delivery needs. Also known as Relocation Needs Assessment Survey.

**Contributes  
Materially:**

During the two taxable years prior to the current year in which the displacement occurs, a business or farm operation:

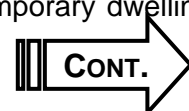
- Had average annual gross receipts of at least \$5,000 or
- Had average annual net earnings of at least \$1,000 or
- Contributed at least 33 1/3 percent of the owner's or operator's average annual gross income from all sources

**Note:** If these two years are not representative, the next two concurrent years may be used when determined by the Relocation Branch Manager to be more appropriate.

**Date of  
Displacement:**

The date a displaced person moves or the date a comparable replacement dwelling is made available, whichever is later, except that:

- The date of displacement for a nonprofit organization is the date the property is acquired.
- When a person is required to relocate for a temporary period as described in **RA-404-2**, "Availability of Comparable Replacement Housing," the date the displacee moves from the temporary dwelling is the date of displacement.





**Decent, Safe, and Sanitary (DS&S)****Dwelling:**

A dwelling that meets applicable housing and occupancy codes. At a minimum, the dwelling must conform to the following standards:

- Be structurally sound, weathertight, and in good repair
- Contain an adequate and safe electrical wiring system for lighting and other electrical devices
- Have a functioning heating system capable of sustaining a temperature of 70 degrees Fahrenheit, except in areas where the local climate does not require such a system
- Be adequate in size with respect to the number of rooms and living space area needed to accommodate the displaced person. There shall be a separate, well-lighted, and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator.
- Contain unobstructed egress to safe, open space at ground level or, if on the second story or above with access directly from or through a common corridor, the corridor must have at least two means of egress
- Be free of any barriers that would preclude reasonable ingress, egress, or use of the dwelling by a displacee who is disabled

**Density:**

The number of units in a multifamily dwelling or structure

**Department:**

Kentucky Transportation Cabinet

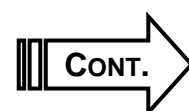
**Director:**

Unless otherwise specified, *director* means the Director of the Division of Right of Way and Utilities for the Kentucky Transportation Cabinet.

**Displaced Person:**

Any person who moves from the real property or moves his or her personal property from the real property: (This includes a person who occupies the real property prior to its acquisition but who does not meet the length-of-occupancy requirements of The Uniform Act as described in 49 CFR 24.401[a] and 49 CFR 24.402[a].)

- As a direct result of a written notice of intent to acquire (see 49 CFR 24.203[d]), the initiation of negotiations for, or the acquisition of, such real property in whole or in part for a project
- As a direct result of rehabilitation or demolition for a project

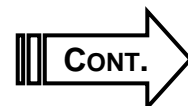


**Displaced  
Person (cont.):**

- As a direct result of a written notice of intent to acquire, or the acquisition, rehabilitation, or demolition of, in whole or in part, other real property on which the person conducts a business or farm operation for a project. However, eligibility for such person under this paragraph applies only for purposes of obtaining relocation assistance advisory services under 49 CFR 24.205(c) and moving expenses under 49 CFR 24.301, 49 CFR 24.302, or 49 CFR 24.303.

**Persons Not Displaced:** The following is a nonexclusive listing of persons who do not qualify as displaced persons:

- A person who moves before the initiation of negotiations, unless the agency determines that the person was displaced as a direct result of the program or project
- A person who initially enters into occupancy of the property after its acquisition for the project
- A person who has occupied the property for the purpose of obtaining assistance under The Uniform Act
- A person who is not required to relocate permanently as a direct result of a project. Such determination shall be made by the agency in accordance with any guidelines established by the federal agency funding the project (see appendix A, Sec. 24.2[a][9][ii][D])
- An owner-occupant who moves as a result of an acquisition of real property as described in 49 CFR 24.101(a)(1) and (2) or as a result of the rehabilitation or demolition of the real property
- A person who the agency determines is not displaced as a direct result of a partial acquisition
- A person who, after receiving a notice of relocation eligibility (described at 49 CFR 24.203[b]), is notified in writing that he or she will not be displaced for a project. Such notice shall not be issued unless the person has not moved and the agency agrees to reimburse the person for any expenses incurred to satisfy any binding contractual relocation obligation entered into after the effective date of the notice of relocation eligibility.
- An owner-occupant who voluntarily conveys his or her property, as described at 49 CFR 24.101(a)(1) and (2) or 24.101(b)(1) or (2), after being informed in writing that, if a mutually satisfactory agreement on terms of the conveyance cannot be reached, the agency will not acquire the property. In such cases, however, any resulting displacement of a tenant is subject to the regulations in this part.
- A person who retains the right of use and occupancy of the real property for life following its acquisition by the agency



**Displaced Person (cont.):**

- A person who is determined to be in unlawful occupancy prior to the initiation of negotiations, or a person who has been evicted for cause, under applicable law, as provided for in 49 CFR 24.206
- A person who is not lawfully in the United States and who has been determined to be ineligible for relocation assistance in accordance with 49 CFR Sec. 24.208

**Displacee:**

A displaced person, including a partnership, corporation, or association, as well as an individual or family

**Displacement Dwelling:**

The dwelling from which a relocatee is displaced for a project

**Down-Payment Supplement:**

The eligible amount, derived from the rental replacement housing needs computation, all of which is required to be applied toward the purchase of (down payment and/or closing costs) a DS&S replacement dwelling

**Dwelling:**

The place of permanent or customary or usual residence of a person, according to local custom or law, including a single-family house; a single-family unit in a two-family, multifamily, or multipurpose property; a unit of a condominium or cooperative housing project; a non-housekeeping unit; a mobile home; or any other residential unit

**Dwelling Site:**

A land area that is typical in size for similar dwellings located in the same neighborhood or rural area (see Appendix A, Sec. 24, 2[a][11])

**Economic Rent:**

The department's determination of the reasonable income expectancy of a dwelling or other property if it were available for rent, and the rent justifiably payable for the right of occupancy of land and/or improvements

**FHWA:**

Federal Highway Administration

**Family:**

Two or more individuals living together in the displacement dwelling. This includes persons related by blood, adoption, marriage, or legal guardianship, and those not related by blood or legal ties but who live together by mutual consent.

**Farm Operation:**

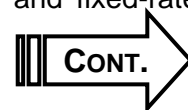
Any activity conducted solely or primarily for the production of one or more agricultural products or commodities in sufficient quantity to be capable of contributing materially to the operator's support

**Federal Financial Assistance:**

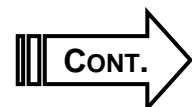
A grant, loan, or contribution provided by the United States except any federal guarantee or insurance and any interest reduction payment to the individual in connection with the purchase and occupancy of a residence by that individual

**Fixed-Rate Moving Payment:**

A payment to a displaced person based on room count and fixed-rate schedule



<b>Functionally Equivalent:</b>	A dwelling that performs the same function, provides the same utility, and is capable of contributing to a comparable style of living
<b>Gross Monthly Income:</b>	All of the earned income of the individual or family before taxes; in addition to salaries and wages, all amounts, whether in cash or in kind, paid or given to the displacee, including Social Security, Supplemental Social Security Income, alimony, child support, and other assistance paid on a continuing basis
<b>Homesite:</b>	The real property and all residentially used improvements (dwelling, special land improvements, garages, outbuildings, etc.)
<b>Household Income:</b>	Total gross income received for a 12-month period from all sources (earned and unearned) including but not limited to wages, salary, child support, alimony, unemployment benefits, workers' compensation, social security, or the net income from a business. It does not include income received or earned by dependent children and full-time students under 18 years of age or food stamps.
<b>HUD:</b>	Department of Housing and Urban Development <a href="http://www.hud.gov">www.hud.gov</a>
<b>Illegal Alien:</b>	A person who is not lawfully present in the United States and who has been determined to be ineligible for relocation benefits
<b>Initiation of Negotiations:</b>	The delivery of the initial written offer of just compensation by the agency to the owner or the owner's representative to purchase the real property for the project
<b>In-Lieu-of-Moving Payment:</b>	A payment to a displaced business, farm, or nonprofit organization in lieu of actual moving and related expenses and actual reasonable reestablishment expenses. Such fixed payment, except for payment to a nonprofit organization, shall equal the average annual net earnings of the business, as computed in accordance with paragraph (e) of 49 CFR 24.305. A fixed payment in lieu of actual moving expenses for a nonprofit organization is based on the average of two years' annual gross revenues less administrative expenses.
<b>KYTC:</b>	Kentucky Transportation Cabinet
<b>Lead Agency:</b>	The Transportation Cabinet acting through the Federal Highway Administration
<b>Licenses, Permits, &amp; Certifications:</b>	A fee that is required to be paid periodically in order to legally occupy a property or operate a business. These items are renewable and are valid only for a specific period of time.
<b>Low Income:</b>	Income that does not exceed 80 percent of area median income as defined by HUD



**Major Exterior**

**Attribute:** See *Appurtenance*

**Market Rent:** The department's determination of the reasonable income expectancy of a dwelling or other property if it were available for rent. Market rent is sometimes established when tenants are paying a token rent or living rent-free.

**Minority**

**Population:** Any readily identifiable groups of minority persons who live in geographic proximity and, if circumstances warrant, geographically dispersed/transient persons who will be similarly affected by a proposed project

**Mobile Home:** Manufactured homes and recreational vehicles used as residences (see Appendix A, Sec. 24.2[a][17].

**Mortgage:** Such classes of liens as are commonly given to secure advances on, or unpaid purchase price of, real property, under the laws of the Commonwealth of Kentucky, together with the credit instruments, if any, secured by the property

**NEPA:** The National Environmental Policies Act of 1969 as amended requires all environmental impacts be identified on any proposed federal action. This includes relocation impacts.

**Nonprofit**

**Organization:** A corporation duly registered with the Kentucky Secretary of State as a Corporation Not for Profit and exempt from paying federal income taxes under Section 501 of the Internal Revenue Code (26 USC 501)

**Notices:** All notices must be written in plain, understandable language; be provided with appropriate translation and understanding to those unable to read or understand; indicate the name and telephone number of the person to be contacted for additional information; and be delivered by personal delivery or certified first-class mail, return receipt requested.

**General Information Notice:** Informs of possible displacement, payment provisions, advisory services, 90-day notice, availability of one comparable, the right of appeal. The notice is delivered prior to the initiation of negotiations. (This information is provided in the *Relocation Assistance Handbook*.)

**90-Day Notice:** A written notice furnished to the displacee explaining that he or she will not be required to move for at least 90 days from the receipt of this notice or 90 days after a comparable replacement dwelling is made available, whichever is later

**30-Day Notice:** A written notice furnished to the displacee informing him or her of the date by which he or she will be required to move from the acquired site



**Notices (cont.):** **Notice of Intent to Acquire:** Written notice furnished to a person to be displaced that establishes eligibility for relocation benefits prior to initiation of negotiations; also called *Notice of Eligibility for Relocation Assistance* (normally used in cases of advance acquisition)

**Notice of Denial of Claim:** Reason for the denial, the amount being disallowed, and the appeals process available; is issued promptly after receipt of a claim

**Notification of Determination on Appeal:** The findings of the review and further avenues available for review and litigation; is issued promptly after a decision is rendered

**Occupant:** **Less-Than-90-Day Occupant:** A displaced person who occupies the property to be acquired:

- For less than 90 days prior to the initiation of negotiations
- After negotiations are initiated for the property

Relocation benefits to less-than-90-day occupants are to be handled as outlined in **RA-707**, “Less-Than-90-Day Occupants Eligibility Criteria.”

**At-Least-90-Day Occupant but Less-Than-180-Day Occupant:** A displaced residential occupant who occupies the dwelling to be acquired at the initiation of negotiations, and:

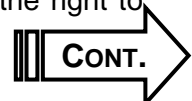
- If a tenant, has occupied the dwelling for at least the 90 days immediately prior to the initiation of negotiations
- If an owner, has occupied the dwelling for at least 90 but less than 180 days immediately prior to the initiation of negotiations

Persons in this category are eligible for either a rental assistance payment or a down-payment supplement. However, the down-payment supplement for an owner in this category cannot exceed what would have been received if the owner had been a 180-day occupant.

**180-Day Occupant:** A displaced homeowner who occupies the dwelling to be acquired at the initiation of negotiations and has occupied the dwelling for at least the 180 days immediately prior to the initiation of negotiations. Persons in this category are eligible for either a purchase supplement or a rental assistance payment but are not eligible to receive a down-payment supplement.

**Owner:** A displaced person is considered to have met the requirement to own a displacement dwelling if the person holds any of the following interests in real property acquired by the department for a project:

- Fee title; a life estate; a land contract; a 99-year lease; or a lease, including any options for extension, with at least 50 years to run from the date of acquisition
- An interest in a cooperative housing project that includes the right to occupy a dwelling



**Owner (cont.):**

- A contract to purchase any of the interest or estates previously described above
- Any other interest, including a partial interest, that in the judgment of the department warrants consideration as ownership

**Person:**

Any individual, family, partnership, corporation, or association

**Personal Property:** Generally, moveable items, that is, those not permanently affixed to and a part of the real estate. With some exceptions, items typically remain personal property if they can be removed without serious injury either to the real estate or to the items themselves.

**Price Differential:** The amount, if any, that, when added to the acquisition price, equals the selling price of a comparable dwelling or, if lesser, the amount a displacee actually spends for a decent, safe, and sanitary replacement dwelling, as described in **RA-540**, “Purchase Supplement for a 180-Day Owner-Occupant”

**Right-of-Way****Project Manager:**

A contractor assigned by the department to manage a project on behalf of the district right-of-way supervisor. The project manager functions as a district right-of-way supervisor, except that calculations of payments (replacement housing payments, move estimates, etc.) and requests for alternate procedure and storage require the district’s approval in addition to the project manager’s. A project manager shall be assigned no duties that will interfere with his or her ability to properly manage an assigned project.

**Purchase****Supplement:**

The amount, if any, that, when added to the acquisition price, equals the selling price of a comparable dwelling, the lesser of the amount a displacee actually spends for a decent, safe, and sanitary replacement dwelling, as described in **RA-540**, “Purchase Supplement for a 180-Day Owner-Occupant”

**Relocatee:**

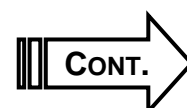
Displacee

**Relocation****Assistance:**

Advisory and/or financial aid for residential and nonresidential displacement by a public program to assist the displacee in becoming reestablished

**Relocation Agent:**

A right-of-way agent or other department representative assigned by the district to provide relocation assistance to displaced persons. A relocation agent may be assigned land acquisition and/or property management responsibilities or may be assigned to work only as a district relocation agent. *Relocation agent* is a functional, rather than generic, classification.



**Relocation Specialist:**

A relocation agent to whom Central Office has delegated authority to provide Central Office review and approval of relocation documents. A relocation specialist may be assigned to assist the relocation branch manager. *Relocation specialist* is a functional, rather than generic, classification.

**Replacement Housing of Last Resort:**

Determination to provide replacement housing of the last resort occurs whenever the replacement housing supplements, either rental or owner, exceed the upper limits for an RHP payment (owners \$22,250 and renters \$5,250). There must be written support for this decision. A typical reason for RHLR is that the program or project cannot proceed in a timely manner because comparable replacement housing is not available within the monetary limits for owners or tenants. It must be decided on a case-by-case basis. It must be cost-effective in addressing individual or family needs, sufficiently documented to support the proposed solution, and approved by the branch manager for Relocation Assistance and the director.

**Replacement Housing Payment (RHP):**

Any of several types of payments to qualifying displaced persons, including the purchase supplement, increased interest cost payment, incidental expenses, rent supplement payment, and down-payment supplement

**Salvage Value:**

The probable sale price of an item, if offered for sale to knowledgeable buyers with the requirement that it will be removed from the property at the buyer's expense (not eligible for relocation assistance), allowing a reasonable period of time to find a person buying with knowledge of the uses and purposes for which it is adaptable and capable of being used, including separate use of serviceable components and scrap when there is no reasonable prospect of sale except on that basis

**Small Business:**

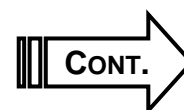
A business operating lawfully with no more than 500 employees working at the site being acquired or displaced

**Subsequent Occupant:**

A person who does not occupy the property at the initiation of negotiations but who is in occupancy at the time the property is acquired and subsequently moves from the real property. Payments for this occupant are limited to advisory services, moving cost only, unless the occupant qualifies for Last-Resort Housing.

**Substitute Personal Property:**

A personal property item, used as a part of a business or farm operation, purchased to replace an item with a comparable function that was not moved from the acquired site to the replacement site (see **RA-407-1** for valuation of such items)





<b>Tenant:</b>	A person who has the lawful temporary use and occupancy of real property owned by another
<b>Typical Homesite Determination:</b>	Identification of the portion of a tract of land that is typically used for residential purposes in the area. If an area is not identified as a homesite in the appraisal, the review appraiser will make the determination upon request.
<b>Uneconomic Remnant:</b>	A parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property and that the acquiring agency had determined has little or no value or utility to the owner
<b>Uniform Act:</b>	Public Law 91-646, The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, or subsequent amendments thereto
<b>Unlawful Occupant:</b>	A person who occupies without property right, title, or payment of rent or a person legally evicted, with no legal rights to occupy a property under state law. The Cabinet, at its discretion, may consider such person to be in lawful occupancy.
<b>Utility Cost:</b>	Expense for heat, electric, gas, other heating and cooking fuels, water, or sewer
<b>USC:</b>	United States Code
<b>Waiver Valuation:</b>	The valuation process used and the product produced when the Cabinet determines that an appraisal is not required, pursuant to 49 CFR Sec. 24.102(c)(2) appraisal waiver provisions.





## RELOCATION ASSISTANCE

### Chapter

ADMINISTRATION

### Subject

Purpose & Authority

**PURPOSE:** To establish authority for the Right-of-Way Relocation Assistance Program

**AUTHORITY:**

- Public Law 91-646, The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended
- Public Law 100-17, The Surface Transportation and Uniform Relocation Assistance Act of 1987
- 23 CFR, Right-of-Way Program Administration
- 49 CFR, Part 24, Uniform Relocation Assistance and Real Property Regulations for Federal and Federally Assisted Programs (**Exhibit 03**)
- KRS 56.610—KRS 56.760
- Senate Bill 240, dated July 15, 1988
- 600 KAR 3:010 (**Exhibit 01**)
- Kentucky Transportation Cabinet Official Order No. 93059
- 49 CFR 24.8 Compliance with other laws and regulations. (See Exhibit 03)





## RELOCATION ASSISTANCE

### Chapter

ADMINISTRATION

### Subject

Authorization & Applicability

### FEDERAL

**AUTHORIZATION:** On January 2, 1971, the United States Congress enacted Public Law 91-646, The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (The Uniform Act).

Title II of The Uniform Act establishes a uniform policy for the fair and equitable treatment of persons displaced as a result of federal and federally assisted programs in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole.

### STATE

**AUTHORIZATION:** The Kentucky Transportation Cabinet is authorized by KRS 56.620 to comply with The Uniform Act.

### FEDERAL

**REGULATIONS:** 49 CFR, Part 24, regulates the Cabinet's Relocation Assistance Program on federal and federally assisted projects.

### STATE

**REGULATIONS:** Under 600 KAR 3:010, the provisions of 49 CFR, Part 24, are expanded to include Transportation Cabinet projects that are funded exclusively with state funds.

### APPLICABILITY:

The procedures prescribed herein are applicable to:

- All federal and federal-aid highway projects on which an individual, family, business, farm, or nonprofit organization is required to relocate or discontinue operations
- All Cabinet projects funded entirely with state funds
- All real property acquired by the Cabinet for other agencies when specifically authorized by such agencies





## RELOCATION ASSISTANCE

### Chapter

ADMINISTRATION

### Subject

Program Assurances

### PROGRAM ASSURANCES:

In accordance with the provisions of 49 CFR, Part 24.4, assurances of compliance with federal regulations have been submitted to the Federal Highway Administration (FHWA) and approved.

Each time the relocation assistance procedures are revised, the Director of the Division of Right of Way and Utilities will resubmit written assurances to FHWA.

Assurances will be submitted with each final revision of procedures.

The Cabinet shall take appropriate measures to carry out these procedures in a manner that minimizes fraud, waste, and mismanagement.





## RELOCATION ASSISTANCE

### Chapter

ADMINISTRATION

### Subject

Organizational Structure

#### CENTRAL OFFICE:

The Director of the Division of Right of Way and Utilities is responsible for the administration of the Cabinet's Relocation Assistance Program.

The relocation branch manager is directly responsible for the detailed administration and supervision of the Relocation Assistance Program within policy limits established by the Cabinet. Additionally, the Central Office right-of-way program staff assists in implementing and supervising the program.

#### DISTRICT OFFICES:

The right-of-way supervisor for each district is responsible for the implementation of the Relocation Assistance Program in the district and shall:

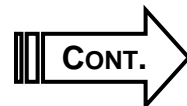
- Appoint one right-of-way agent as a district relocation agent, who will be responsible for all relocation and evaluation functions in the district

**Note:** The relocation agent will be assigned no duties that will interfere with the performance of this duty.

- Appoint one right-of-way agent as a district replacement housing evaluator, who will be responsible for computing replacement housing and rental payments as required

**Note:** The evaluator shall not compute and present a replacement housing offer to any displacee unless a relocation specialist, the relocation branch manager, or the Director of the Division of Right of Way and Utilities has approved the computation.

- Assign additional relocation agents and evaluators to assist the district relocation agent, as needed
- Take appropriate measures to carry out these procedures in a manner that minimizes fraud, waste, and mismanagement



**RELOCATION****AGENTS:**


Using assigned staff, the Cabinet is to administer the Relocation Assistance Program. Should it become necessary to contract with an individual; firm; corporation; or a federal, state, or private agency, the district right-of-way supervisor shall recommend such contract in writing to the Director of the Division of Right of Way and Utilities. Contractors and assigned staff shall comply with all qualification requirements and procedures outlined in the *Right-of-Way Guidance Manual* and the *Relocation Assistance Guidance Manual*.

**BASE OF  
OPERATIONS:**

The district office is to be the base of operations, maintaining all informational material, forms, and records for administering the Relocation Assistance Program. Whether the program is administered from the district office or a subsidiary office, regular office hours are to be maintained. These hours are to be commensurate with the workload and needs of the people being displaced and may include evening hours when necessary. The schedule of office hours is to be posted in the office building, published in local newspapers, and announced by other means necessary to ensure that displacees desiring to transact business are informed.

If it is necessary to establish a subsidiary office for a project, the right-of-way supervisor is to consider the location of the project, the number of people being displaced, and the accessibility of the district office. The supervisor is to submit as soon as possible a recommendation to the Director of the Division of Right of Way and Utilities. The supervisor is to include the recommendation in the relocation plan at the right-of-way stage. Once the subsidiary office is established, a notice of the days and hours it will be open to serve the needs of those desiring assistance is to be furnished through local advertising media.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p>Chapter</p> <p>ADMINISTRATION</p>
	<p>Subject</p> <p>Relocation Records</p>

**PARCEL  
FILES:**

Records of relocation activities will be kept, including:

- Project and parcel identification
- Names, addresses, telephone numbers, social security numbers, and federal identification numbers of displacees
- Payments and services offered
- Payment claim support documentation
- A TC 62-77 form, *Record of Contacts* (**Exhibit 2**), documenting each meeting or telephone call with the displacee(s) and other involved parties
- *Record of Contacts* documenting the offer of comparable replacement housing in accordance with the Program Requirements

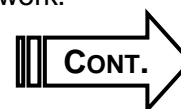
**RECORD OF  
CONTACTS:**

The *Record of Contacts* is to be prepared and maintained on a current basis for all parcels. Each contact is to be recorded immediately after the meeting to ensure accuracy. The record is to show the date, time, and place of the contact and the name of every person involved, including the name of the relocation agent.

In the record the agent is to document the method and date of delivery of each required notice (see **RA-511**, "Relocation Notices") and the dollar amount offered to each displacee. The agent is to record in the same manner any subsequent offer and explain the reasons for the revision.

The *Record of Contacts* is to be inclusive of all pertinent items discussed, questions asked, and answers given. If an answer to a question cannot be given immediately, the answer is to be included in the record of a subsequent meeting. As much information as possible is to be included in the *Record of Contacts*.

All agents actively involved in any discussion relative to relocation are to sign the *Record of Contacts*, which is to become a part of the district's permanent parcel file. Records may be kept in hard copy or electronically. In either case it is to be clear who was responsible for the work.




**PROJECT  
BASIS:**

Each district office is to maintain the following information on a project basis:

- Copies of federal and state regulations pertaining to the Relocation Assistance Program
- Current and continuing list of replacement dwellings available without regard to race, color, religion, sex, or national origin, and suitable in price, size, and condition for those being displaced
- Current and continuing list of comparable commercial properties and locations for displaced businesses
- Current financial data from lending and loan-insuring agencies in the area (Data should include interest rates and terms, down-payment requirements, closing costs, rental rates, security deposits, utility deposits, and other financial information that would be helpful to displacees.)
- A map or sketch, when appropriate, showing the locations of schools, churches, parks, playgrounds, shopping facilities, and available local metropolitan bus routes
- Schedules and costs of public transportation that serve the area
- All forms necessary to assist the displacee in filing a claim for payment offered under this program
- Other important information of value to the displacee in a particular area
- Copies of the Cabinet's *Relocation Assistance Program Pamphlet*





 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>PROJECT DEVELOPMENT</p>
	<p><i>Subject</i></p> <p>Conceptual Stage</p>

**CONCEPTUAL  
STAGE:**

A project is in the conceptual stage until such time as its location and design concept are approved.

**ENVIRONMENTAL  
ASSESSMENT:**

NEPA requires an environmental impact assessment for all federal projects prior to location approval by FHWA. The assessment is made to ensure that social impacts to communities and people are recognized early in the transportation decision-making process.

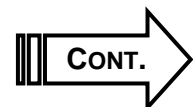
**ENVIRONMENTAL  
JUSTICE:**

The Federal Environmental Justice Order mandates that federal projects with the potential for discrimination or disproportionately high and adverse effects on minority and/or low-income populations, be delivered only if:

- A. A substantial need for the project exists, based on the overall public interest; and
- B. Alternatives with fewer adverse effects on protected populations have either:
  - 1. More severe adverse social, economic, environmental, or human health impacts; or
  - 2. Increased costs of an extraordinary magnitude
- C. If a project does have EJ impacts on it, a separate study and plan will have to be developed and approved by FHWA before the project can go forward.

**CONCEPTUAL  
STAGE  
RELOCATION  
REPORT:**

The district will develop a conceptual stage relocation plan for each proposed alternative prior to the public hearing. Conceptual stage relocation plans will be presented in a Conceptual Stage Relocation Report, which will be incorporated into the environmental assessment document.



**CONCEPTUAL  
STAGE  
RELOCATION  
REPORT (cont.):**

The district will study each proposed alternative to assess relocation impacts and develop a plan for an orderly and humane relocation of persons displaced by a project without creating adverse impacts or costly delays. The relocation impacts study should result in a relocation plan appropriate for each proposed alternative. Factual information should indicate if orderly relocation can be achieved. If problems are identified early in the project development process, various solutions may be considered, such as extension of lead time, alignment and plan changes, undertaking clearly defined potential mitigation measures, etc.

The costs incurred for securing and assembling the required information are charged to the appropriate project using Design funds.

**LAST-RESORT  
HOUSING NEEDS:**

If the supply of comparable replacement housing is anticipated to be inadequate at the time a project is expected to be under way, the district is to include potential last-resort housing options as part of the Conceptual Stage Relocation Report (see **RA-700**, “Last-Resort Housing”).

The district is to offer last-resort housing options for each alternative route under study.





## RELOCATION ASSISTANCE

### Section

PROJECT DEVELOPMENT

### Subject

Responsibilities for Conceptual Stage  
Relocation Report

**RESPONSIBILITIES:** The Division of Environmental Analysis (DEA) is responsible for development of the environmental document, which typically is prepared by a consulting firm. The Conceptual Stage Relocation Report (CSRR), which is incorporated into the environmental document, may be prepared by the district relocation section or by a consultant.

The district relocation section and environmental coordinator are jointly responsible for the development and inclusion of socioeconomic data in the environmental document and, as such, should coordinate data collection to avoid duplication of efforts.

The DEA will advise the right-of-way supervisor when a CSRR is needed. The DEA and supervisor will review workload and time schedules to determine whether the CSRR will be prepared by the district relocation section or by a consultant.

When the district prepares the CSRR, the district relocation section will provide a copy of the report to the relocation branch manager.

On interstate projects and large NHS projects, please provide a copy for FHWA.





## RELOCATION ASSISTANCE

### Chapter

## PROJECT DEVELOPMENT

### Subject

## Planning Considerations for Conceptual Stage Relocation Report

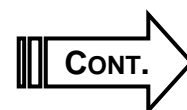
### PLANNING

**CONSIDERATIONS:** The Conceptual Stage Relocation Report (CSRR) is intended to identify projected relocation impacts. The depth of the report should be directly proportional to the scope of relocation impacts on the proposed alternates.

The CSRR should provide answers to the following questions about the project:

- What are the project's specific objectives?
- What is the scope of the project? How many neighborhoods will be impacted? How many buildings will be affected?
- How many people will be affected, both directly and indirectly? How many families and individuals will be displaced? How many businesses?
- What are the special needs of those who will be displaced?
- What is the most efficient and effective way to accomplish the project goals? How much lead time will be required?
- Are there other projects under way in the locality that will be competing for housing resources? Is any of the needed information already available from agencies carrying out related projects?
- What resources are available to provide advisory assistance? Are there needs for special services such as aid to handicapped or assistance with non-English-speaking persons?
- Are there any potential hazardous-waste concerns on the project?

Include a comparative table of relocation impacts for each alternate, including estimated cost analysis.




**PLANNING  
CONSIDERATIONS**

**(cont.):**

A report must be provided to the district environmental coordinator any time the presence of hazardous waste is suspected.

Matters pertaining to hazardous waste will be handled in accordance with the *Right of Way Manual*, **RA-409**, and **RA-400**, “Moving and Related Expenses,” in this manual.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>PROJECT DEVELOPMENT</p>
	<p><i>Subject</i></p> <p>Conceptual Stage Relocation Report Data Sources</p>

**OVERVIEW:** The Conceptual Stage Relocation Report must reference the sources of data utilized.

Primary sources should be utilized only when secondary sources cannot supply the information needed.

A. Primary Data Sources: Any person such as an individual, family, business, etc., located within the proposed corridor alignment

B. Secondary Data Sources: All information sources other than primary

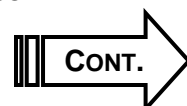
All data must be dated according to its original compilation date.

**DATA TO BE OBTAINED:**

The Conceptual Stage Relocation Report is intended to identify projected relocation impacts. The depth of the report should be directly proportional to the scope of relocation impacts on the proposed alternates.

When requested by the Division of Environmental Analysis, the district relocation section will be responsible for providing the following conceptual stage relocation data for inclusion in the environmental assessment document:

1. Discuss the communities and neighborhoods affected by the project, including divisive or disruptive effects (i.e., separation from community facilities such as churches, schools, parks, etc.), special relocation considerations, and measures proposed to resolve relocation concerns.
2. Estimate the following relocation impacts:
  1. The number of households to be displaced, including:
    - a. The number of owner-occupied households
    - b. The number of tenant-occupied households
  2. The income range of the affected households and the income range of the affected neighborhoods or communities



**DATA TO BE  
OBTAINED (cont.):**

3. The percentage of low-income households to be displaced and the percentage of low-income households in the affected neighborhoods or communities
  4. The percentage of minority (racial, national origin, or ethnic) households to be displaced and the percentage of minority households in the affected neighborhoods or communities
  5. The percentage of elderly households to be displaced in relationship to the total households being displaced
  6. The percentage of households containing five or more family members
  7. The number of handicapped or disabled residential occupants for whom special assistance services may be necessary
- C. Discuss the type of homes being acquired, including occupancy status (owner/tenant), size, number of bedrooms, age, condition, and price range.
- D. Discuss the neighborhoods into which displacees will likely relocate and the expected impact due to displacees seeking homes in those areas. Discuss potential adverse environmental factors present in those areas and seasonal or other considerations (plant expansions, etc.) that must be considered with regard to timing of the project.
1. Estimate the distance from the project to the neighborhoods into which displacees will likely relocate.
  2. Discuss the makeup of the neighborhoods into which displacees will likely relocate (i.e., racial and ethnic composition, availability of community facilities, etc.).
  3. Compare the number of available decent, safe, and sanitary houses in the area with the housing needs of displacees. The comparison should include occupancy status (owner/tenant), size, number of bedrooms, age, condition, and price range.
- E. Describe special relocation advisory services that will be necessary for identified unusual conditions or unique problems.

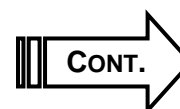
Identify special cases such as handicapped or disabled displacees, problems of the elderly, and racial and ethnic considerations; and comment on the availability of governmental and social agencies available to serve these particular needs.



**DATA TO BE  
OBTAINED (cont.):**

- F. Discuss the actions proposed to remedy insufficient relocation housing and include a commitment to use last-resort housing provisions, if necessary. If a project has a large number of residential displacements, a complete last-resort housing plan may be necessary.
- G. Estimate the number, tenure (owner/tenant), type, and size of businesses, farms, and nonprofit organizations to be displaced, including special business characteristics, services to specialized clientele, or cultural orientation.
  - 1. Include the approximate number of employees for each operation and, if ascertainable, the general impact of the displacements on the economy of the community.
  - 2. Identify sites available in the areas into which the affected operations may relocate, likelihood of such relocation, and impacts on remaining businesses, whenever possible.
- H. Estimate the number and tenure (owner/tenant) of businesses, farms, and nonprofit organizations affected by proximity, including special business characteristics, services to specialized clientele, or cultural orientation.

Include the approximate number of employees for each operation and, if ascertainable, the general impact of possible displacements on the economy of the community.
- I. Discuss the results of early consultation with the local government(s) and any early consultation with businesses potentially subject to displacement. Include planning for incentive packaging such as tax abatement, flexible zoning, and building requirements, and advisory assistance that has been or will be furnished, along with other appropriate information.
- J. Document the results of discussions with local officials, social agencies, and such groups as the elderly, handicapped, non-driver, transit-dependent, and minorities regarding the relocation impacts.
- K. Discuss any potential hazardous waste concerns.
- L. Identify any publicly owned lands that may require consideration for functional replacement of real property in public ownership. Discuss the results and decisions of any meetings with property owners or jurisdictional agencies where the potential for functional replacement exists pursuant to 23 CFR 710.509.





**DATA TO BE  
OBTAINED (cont.):**

- M. Include a statement that the acquisition and relocation program will be conducted in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.
- N. Include a statement that relocation resources are available to all relocatees without discrimination.





## RELOCATION ASSISTANCE

### Section

## ACQUISITION STAGE RELOCATION REPORT

### Subject

Data Collection

### DATA TO BE OBTAINED:

The district is responsible for conducting personal interviews with displacees to determine their relocation needs and implement a relocation plan.

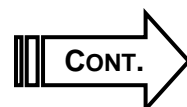
The needs assessment survey (i.e., worksheet contact) will be conducted and a relocation plan developed promptly after right-of-way acquisition is authorized.

The survey will result in an inventory of the characteristics and needs of individual and family residential displacees, based upon the standard of comparable replacement. This information should be obtained upon a 100 percent occupancy survey rather than a sampling survey.

The assessment will also contain a review of needs versus resources, including the identification of potential relocation problems with regard to the lack of available necessary resources.

The needs assessment survey should provide answers to the following questions:

- What is the scope of the project? How many neighborhoods will be impacted? How many buildings will be affected?
- How many people will be affected, both directly and indirectly? How many families and individuals will be displaced? How many business, farm, nonprofit, sign, and miscellaneous moves will be required?
- What are the special needs of those who will be displaced?
- What is the most efficient and effective way to accomplish the project goals? How much lead time will be required?
- Are there other projects (public or private) in the locality that will be competing for housing resources? Is any of the needed information already available from agencies carrying out related projects?



**DATA TO BE  
OBTAINED (cont.):**

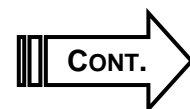
- What resources are available to provide advisory assistance? Are there needs for special services such as aid to the handicapped or assistance with non-English-speaking persons?
- Are there any potential hazardous waste concerns on the project?

A report must be provided to the district environmental coordinator any time the presence of hazardous waste is suspected.

Matters pertaining to hazardous waste will be handled in accordance with the *Right of Way Manual*, **RA-409**, and **RA-400**, “Moving and Related Expenses,” in this manual.

Upon completion of the survey and development of a project relocation plan, the district will submit an Acquisition Stage Relocation Report (ASRR) to the relocation branch manager. Documentation will include:

- A. A memorandum discussing all relocation aspects of the project, with particular attention given to any potential relocation problems such as low-income, elderly, handicapped, etc. The memorandum shall identify:
  - 1. The total number of residential, business, farm, nonprofit organization, sign, and miscellaneous move displacements
  - 2. The number of owner(s) and tenant(s) comprising each of the above categories of displaced persons
  - 3. The estimated amount of lead time required to carry out a timely, orderly, and equitable relocation program
  - 4. Identification of resource limitations, if perceived
- B. Worksheets for all displacees
- C. The TC 62-97 form, *Relocation Project Summary* (**Exhibit 07**). In addition, an updated Relocation Project Summary will be submitted to the relocation branch manager quarterly until relocation activities have been completed on the project.



**DATA TO BE  
OBTAINED (cont.):**

- D. When an owner-occupied residential displacement will occur, the following must also accompany the ASRR:
  - 1. An analysis of the asking versus selling prices in the project area. The analysis shall:
    - a. Include a statement that recent residential sales in the project area have been analyzed
    - b. Identify data sources (names of realtors contacted, multiple listing books, a search of courthouse records, etc.)
    - c. Include data (property address, date of sale, sale price, asking price, and percentage of selling price versus asking price for which the property sold) for a minimum of four or five residential sales
  - 2. A current TC 62-50 form, *Mortgage Interest Rates* (**Exhibit 13**). The district shall complete this form at the start of the project, maintain weekly updates in the project file, and provide a current copy with each claim for reimbursement of closing costs and increased interest differential payment.





## RELOCATION ASSISTANCE

### Section

## ACQUISITION STAGE RELOCATION REPORT

### Subject

## Identification of Last-Resort Housing Needs

### IDENTIFICATION OF NEEDS:

If research indicates the potential need for last-resort housing (see **Chapter 700**, “Last-Resort Housing”), the Acquisition Stage Relocation Report will address the means by which it will be provided.

A comprehensive discussion of the number of individuals and/or families who will require last-resort housing and an estimate of available units should be incorporated into the report, along with recommended methods for providing last-resort housing.





## RELOCATION ASSISTANCE

### Chapter

ADMINISTRATION

### Subject

Relocation Reports

### RELOCATION PROJECT SUMMARY:

The district right-of-way supervisor is to ensure that the TC 62-97 forms, *Relocation Project Summary (Exhibit 07)*, are kept current for all active relocation projects in the district, whether staff or consultants perform the relocation. The supervisor is to forward a TC 62-97 form for each active project to the relocation branch manager the first of April, July, October, and December. When relocation is completed on a project, the TC 62-97 shall be noted as a "final report."

### SPECIAL REPORTS:

If the Central Office requires a special relocation report of a district, the request is to be in writing to the district right-of-way supervisor. Each request is to specify a deadline by which the report is to be completed. If unclear on the request or if the deadline cannot be met, the district supervisor is to contact the relocation branch manager within three days of receipt of the request.

### ANNUAL FEDERAL REPORT:

The Central Office is to submit a report annually to the Federal Highway Administration (FHWA). The report is to be compiled from data supplied by the Right-of-Way Status Report System (RWU), relocation project summary reports, and ledgers maintained by the Central Office.

If the data from the RWU is inconclusive or incomplete, the Director of the Division of Right of Way and Utilities is to require the respective districts to submit the appropriate data.

This report is to be prepared and submitted to the FHWA on or before November 1 of each year.





## RELOCATION ASSISTANCE

### Chapter

ADMINISTRATION

### Subject


Opinion Survey

### OPINION SURVEY:

Promptly after the final relocation payment is made, the district right-of-way supervisor is to ensure that the TC 62-91 form, *Relocation Assistance Opinion Survey (Exhibit 05)*, is provided to each displacee to complete. To be enclosed with each survey is a postage-paid envelope addressed to:

Division of Right of Way and Utilities  
Transportation Cabinet Office Building  
E5-17-03  
200 Mero Street  
Frankfort, KY 40622



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>MOVING &amp; RELATED EXPENSES</p>
	<p><i>Subject</i></p> <p>Eligibility Criteria</p>

**CRITERIA:**

Any owner-occupant or tenant who qualifies as a displaced person and who moves from a dwelling (including a mobile home) or who moves from a business, farm, or nonprofit organization is entitled to payment of his or her actual moving and related expenses, as the Transportation Cabinet deems reasonable and necessary.

A displacee will receive reasonable and necessary moving-expense payment(s) for:

- Moving personal property located within the proposed right-of-way and/or easement area(s)
- Moving from other real property not acquired when the Right-of-Way Supervisor determines the acquisition necessitates such a move, with prior approval by the Relocation Branch Manager
- Moving the personal property of one person from real property owned by another when the department requires the personalty be moved because of an acquisition

The displacee must legally occupy the real property being acquired when negotiations begin, or when the Cabinet issues a written notice of intent to acquire the real property.

Only one move may be eligible for payment, except where it is shown that more than one move is in the public interest and prior written approval is obtained from the Relocation Branch Manager.


A move in and out of storage, when approved in advance by the Right-of-Way Supervisor, constitutes a single move; however, payment shall be made in two increments. A partial payment shall be made upon completion of the move into storage, with the balance paid upon completion of the move out of storage.

Provided all other eligibility criteria for payment are met, the following displacees are eligible for moving-expense payments of personal property only:

- Residential
- Business, including nonprofit organizations
- Farm operations
- Legal off-premises sign owners





 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>MOVING &amp; RELATED EXPENSES</p>
	<p><i>Subject</i></p> <p>Claim for Payment</p>

**TIME FRAME:** A move must be completed within one year of the date the real property is acquired. A written claim for move costs must be submitted to the department within 18 months as follows:

- For owners, the later of:
  - ◆ The date the displacee moves from real property or moves his or her personal property from the real property
  - ◆ The date of final payment for acquiring the real property, closing or posting of the commissioners' award, and issuing the interlocutory order and judgment (IOJ)
- For tenants, the date the displacee moves from the real property or moves his or her personal property from the real property

The 18-month timeframe shall be waived for good cause. Such waiver shall be in writing and approved by the Relocation Branch Manager in advance.

**CLAIM FORM:** A claim for payment must be submitted on the standard claim form provided by the district, either the TC 62-99 form, *Move Claim—Residential (Exhibit 04)* or the TC 62-207 form, *Nonresidential Payment Request (Exhibit 08)*. Payment will be made after the move is completed unless a preapproved hardship is recognized.

Routine moving-expense payments will be made directly to the displacee unless he or she requests otherwise in writing. Moving payments are made only on a **reimbursement basis**.

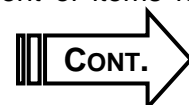
A direct payment can be made to a vendor by written agreement between the displacee and the vendor.

The moving-expense bill or move-cost estimate must accompany the claim on the TC 62-99 form or TC 62-207 form when ordered in advance.

**HARDSHIP  
CASES:**

In a hardship situation advance payment may be made, in which case the displacee must submit the claim in writing. Payment may be made directly to the moving company with joint signature of the displacee.

The payment satisfies any further claim for reimbursement of items for which that claim is intended.



**HARDSHIP****CASES (cont.):**

The displacee will comply with the applicable provisions of this section in the move of his or her personalty from the acquired property.

**Note:** Advance payment for self-moves are not allowed without central office approval.





## RELOCATION ASSISTANCE

### Chapter

### MOVING & RELATED EXPENSES

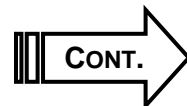
### Subject

### Notification & Inspection of Move

#### NOTIFYING THE DISPLACEE:

Promptly after the date of initiation of negotiations, the department will notify the displacee, in writing, of the following:

- Any items considered realty in the appraisal, whether included in the department's acquisition or retained by the owner, are not eligible for move-cost reimbursement.
- The displacee must provide the department with a certified pre-move inventory of the items to be moved. A department representative will confirm the certified inventory.
- In a nonresidential move the displacee must provide the department with at least seven days' notice of the approximate date of the start of the move or disposition of the personal property.
- The displacee must permit the district to make reasonable and timely inspections of the personal property at both the acquired and replacement sites and to monitor the move, if deemed necessary by the department.
- The department will make payments based upon the approved move-cost bid obtained, without regard to the mover who actually will perform the move.
  - ◆ The department will not accept a move-cost bid from a mover who has not been provided in advance with a certified pre-move inventory and, when appropriate, with move specifications.
  - ◆ In business moves the movers and a department representative will inspect both the acquired and replacement sites before the mover submits a move-cost bid. The displacee will not give a mover permission to proceed until the department authorizes that displacee to move.



**NOTIFYING THE  
DISPLACEE (cont.):**

- ◆ If the displacee selects a mover other than the one with the lowest bid, reimbursement will still be for the approved amount.

The above information must be hand-delivered to the displacee by the department or sent by certified mail, return receipt requested.

Prior to the move the Relocation Agent must emphasize to the owner that the department will reimburse only costs actually incurred and allowable under these provisions and that such payments will be limited to reasonable costs based upon:

- Bids from qualified movers
- Certified inventories
- Monitoring or inspections
- Receipted bills
- Other acceptable evidence of expenses incurred

Prior to moving, the displacee must be informed that the department has the right and obligation to verify all expenses claimed and that any pre-move discussions regarding moving expenses constitute a conditional amount for reimbursement.





## RELOCATION ASSISTANCE

### Section

ELIGIBLE & INELIGIBLE  
MOVING EXPENSES

### Subject

Eligible Moving Expenses

### MOVING EXPENSES ELIGIBLE FOR PAYMENT:

Actual, reasonable moving and related expenses that will be paid are as follows:

- Transporting residential displacees to the replacement site, including, when necessary, special transport—such as ambulances—based upon actual, reasonable fees charged for such commercial transport for a distance of no more than 50 miles

**Note:** The Central Office may approve payment for transport beyond this distance, provided the file is appropriately documented.

- Transporting personal property for a distance of no more than 50 miles

**Note:** The Central Office may determine a move cannot be accomplished within 50 miles and therefore approve payment for a move beyond this distance, provided the file is appropriately documented.

- Packing, crating, unpacking, and uncrating of personal property
- Disconnecting, dismantling, removing, reassembling, and reinstalling household appliances and other personal property
- Storing personalty, provided all of the following conditions are met:
  - ◆ The Relocation Agent determines that storage is reasonable and necessary. Such may be the case when a displacee, through no fault of his or her own, is unable to immediately occupy the replacement site after issuance of the department's 30-day notice to vacate.
  - ◆ The personalty is not stored on property being acquired or property already owned or leased by the displacee.
  - ◆ The Right-of-Way Supervisor gives prior written approval, and the file is appropriately documented.

CONT.

**MOVING  
EXPENSES  
ELIGIBLE FOR  
PAYMENT (cont.):**

**Note:** Storage is limited to a maximum period of 12 months unless the Central Office determines that storage for a longer period of time, up to a total maximum of 18 months, cannot be avoided.

- Insuring for the replacement value of the property in connection with the move and necessary storage

Movers offer various types of insurance. The three basic types are:

- ◆ Benefit paid by weight

This is the basic insurance required by state or local law. It pays an allowance for damage based on the weight of an item. This payment is typically 60 cents per pound.

- ◆ Benefit based on depreciated value

This insurance is common in moves subject to the jurisdiction of the Interstate Commerce Commission. It pays for the depreciated value of items damaged. If an entire shipment is lost, payment is limited by the total weight of the goods.

- ◆ Benefit based on replacement cost

This insurance is generally available for added cost. It provides for replacement or repair of items damaged or destroyed.

- Providing for replacement value of property lost, stolen, or damaged in the moving process through no fault or negligence of the displacee or his or her agent or employee, where insurance covering such loss, theft, or damage is not available

**Note:** The district must verify that insurance coverage is unavailable. This provision is intended to be an exception rather than a common occurrence, since the financial risk could be high.

- Providing meals and lodging, limited to current allowable travel expenses for Cabinet employees, when determined necessary by the Right-of-Way Supervisor

**Note:** Lodging and meals may be considered reasonable and necessary for a short period of time when a mobile home or retained dwelling is being moved to a replacement site and the displacee has no family or friends with whom to stay.




**EXPENSES  
ELIGIBLE FOR  
PAYMENT (cont.):**

- Paying for nonrefundable mobile-home entrance fees when comparable mobile-home parks not requiring fees are unavailable
- Reinstalling a fixture—a concrete pad, foundation, etc.—that exists as an integral part of a personal property item and only if treated in the appraisal as a fixture

**Note:** Reimbursement is limited to the cost of reinstallation less the value of the fixture in place.

- Other moving-related expenses not listed as ineligible in **Chapter RA-404-2**, as the district deems reasonable and necessary, with prior approval of the Relocation Branch Manager

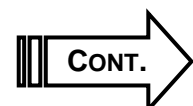


 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>ELIGIBLE &amp; INELIGIBLE MOVING EXPENSES</p>
	<p><i>Subject</i></p> <p>Ineligible Moving Expenses</p>

**MOVING  
EXPENSES  
INELIGIBLE FOR  
PAYMENT:**

Moving expenses for which a displacee is not entitled to payment include:

- Costs of moving any structure or other real property improvement in which the displacee retained ownership, not precluding the computation in **Section RA-406-3**, "Owner Retention of Dwelling"
- Interest on a loan to cover moving expenses
- Loss of goodwill
- Loss of profits
- Loss of trained employees
- Any additional operating expenses incurred by a business or farm operation because of operating in a new location, except as provided in **Section RA-407-8**, "Reestablishment Expenses"
- Personal injury
- Any legal fees or other costs for preparing a claim for a relocation payment or for representing the claimant before the department
- Expenses for searching for a replacement dwelling
- Physical changes to the real property at the replacement location of a business or farm operation that would constitute an improvement to the real property or site, except as provided in **Chapter RA-404**, "Eligible Moving Expenses," or **Section RA-407-8**, "Reestablishment Expenses"
- Costs to store personal property on real property already owned or leased by the displacee





**MOVING  
EXPENSES  
INELIGIBLE FOR  
PAYMENT (cont.):**

- Refundable security and utility deposits
- Impact fees, except as provided in **Section RA-407-8**, “Reestablishment Expenses”
- Any item or expense that has already been paid to the displacee through the acquisition process
- Costs to move any item that is not legally occupying the acquired property





## RELOCATION ASSISTANCE

### Chapter

MOVING & RELATED EXPENSES

### Subject

Multiple Occupancy

#### **TWO OR MORE ELIGIBLE INDIVIDUALS:**

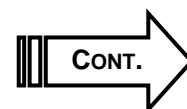
Two or more eligible individuals occupying the displacement dwelling are considered to be one family. If the occupants move to separate replacement dwellings, each eligible occupant is entitled to a prorated share of any move costs that would have been made had the occupants moved to a single replacement dwelling. The prorated amount shall be based on the personal property actually owned by the individual eligible displacees.

#### **TWO OR MORE ELIGIBLE FAMILIES:**

When two or more eligible families maintain separate households in the displacement dwelling, each family has a separate entitlement to move-cost payments if they move to separate replacement dwellings. Move costs can be reimbursed either by the fixed-rate schedule or by commercial move. A fixed-rate schedule payment will be based on the personal property actually owned by each eligible displaced family. Each eligible displaced family will receive a prorated share of the fixed rate for shared community rooms, based on the personal property each eligible family owns.

#### **FAMILY CLUSTERS:**

When two or more eligible families in close proximity share necessary utilities (family clusters), the family being displaced can be reimbursed either by the fixed-rate schedule or by commercial move. Remaining families must be provided the reestablishment of the common utilities that were shared and are lost or moved as a result of the right-of-way project. This requires approval of the Relocation Branch Manager and the Acquisitions Branch Manager. Cost associated with the reconnection of utilities would be considered an acquisitions expense.



**SEPARATE  
HOUSEHOLDS:**

The district may determine that separate households are maintained when:

- Each family has separate baths, kitchen areas, bedrooms, etc.
- A person rents a sleeping room within a dwelling

**CLAIM FOR  
PAYMENT:**

A written claim for move costs must be submitted to the department within 18 months as follows:

- For owners, the later of
  - ◆ The date the displace moves from the real property or moves his or her personal property from the real property
  - ◆ The date of final payment for the acquisition of the real property, date of closing, or the date the commissioners' award is posted and the Interlocutory Order and Judgment (IOJ) is filed.:
- For tenants, the date the displace moves from the real property or moves his or her personal property from the real property.





## RELOCATION ASSISTANCE

### Section

RESIDENTIAL MOVES

### Subject

Fixed-Rate Schedule

#### **BASIS FOR FIXED-MOVE PAYMENT: (Dislocation Allowance Schedule)**

Any person displaced from a dwelling or seasonal residence may choose to receive a fixed-move payment in lieu of payment for an actual-cost commercial move.

The room count of furniture should be based on the actual number of furnished rooms plus basements, attics, garages, and outbuildings if such spaces contain sufficient personalty to constitute a room.

#### **DEFINITION OF ROOM:**

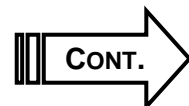
A room is defined as either of the following:

- A fully enclosed section of the interior of a structure having access through a door or doorway, exclusive of closets and bathrooms
- An area within a fully enclosed section of a structure that has a separate and distinct function, such as the living area within a great room

#### **MODIFICATIONS TO ROOM COUNT:**

Modifications to the room count may be made as follows:

- An enclosed area within a structure that is primarily used for storage may be counted as more than one room if the quantity of personalty exceeds that which would reasonably be found in a single room.
- Items of personalty stored in detached structures or in unenclosed areas around the residence may be counted as an additional room or, at the discretion of the Right-of-Way Supervisor, may be approved for reimbursement as a miscellaneous move, in addition to the room count computation for the residence.



**RELOCATION****AGENT'S**

**RESPONSIBILITIES:** Before the move the Relocation Agent must inspect the personalty to be moved and check the appraisal to ensure that no item paid for in the appraisal is included in the personal property to be moved.

The Relocation Agent must document the room count as follows:

- When the volume of personalty to be moved does not exceed 12 rooms, the rooms used to establish the amount of payment shall be identified in the Relocation Agent's Record of Contacts.
- When the volume of personalty to be moved exceeds 12 rooms, the agent is to have the displacee sign the TC 62-68 form, *Certified Inventory (Exhibit 06)*. The inventory may be a typed list or pictures of items to be moved. In either case the rooms must be identified (within the list or by notation on the pictures). When pictures are used in lieu of a written list, they are to be affixed to the TC 62-68 form.

**DISLOCATION ALLOWANCE****SCHEDULE (Fixed Rate**

**Schedule):** The *Dislocation Allowance Schedule*, found at 49 CFR, Part 24, will determine payment as follows:

**Schedule A: Occupant Owns Furnishings**

1 Room	2 Rooms	3 Rooms	4 Rooms	5 Rooms	6 Rooms	7 Rooms	8 Rooms	Each Additional
\$450	\$620	\$790	\$960	\$1,130	\$1,300	\$1,470	\$1,640	\$170


**Schedule B: Occupant Does Not Own Furnishings**

1 Room	Each Additional
\$350	\$50

Reimbursement to a displacee with minimal personalty who occupies a dormitory-style room shared by two or more unrelated persons shall be limited to Schedule B, unless the displacee has no furnishings and is only moving clothing, in which case the move cost is limited to \$100.

In the case of a mixed situation—for example, the occupant owns some of the furnishings, and the landowner owns some of the furnishings—payment to the occupant should be based on the number of rooms of furnishings owned by the occupant. Payment to the landowner shall be made according to **Chapter RA-410**, "Miscellaneous Moves," unless the landowner qualifies as a business, in which case payment shall be made according to **Section RA-407-1**, "Eligible Moving Expenses—Nonresidential Moves."

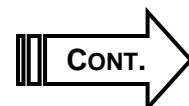


 <p><b>RELOCATION ASSISTANCE</b></p>	<p><b>Section</b></p> <p>RESIDENTIAL MOVES</p>
	<p><b>Subject</b></p> <p>Commercial Mover</p>

**REQUIREMENTS:** Residential displacees may move by using a household-goods mover (whose certificate is issued by the Kentucky Department of Vehicle Regulation). The displacees are eligible for reimbursement of the actual and reasonable costs of moving their personal property.

When a residential displacee elects to use a licensed commercial mover, the following requirements apply:

- Before the move the Relocation Agent must inspect and document personal property to be moved, as follows:
  - ◆ When the volume of personalty to be moved does not exceed 12 rooms, the agent is to identify the rooms on the TC 62-77 form, *Record of Contacts* (**Exhibit 02**).
  - ◆ When the volume of personalty to be moved exceeds 12 rooms, the agent is to have the displacee sign the TC 62-68 form, *Certified Inventory* (**Exhibit 06**). The inventory may be a typed list or pictures of items to be moved. In either case the rooms must be identified (within the list or by notation on the pictures). When pictures are used in lieu of a written list, they are to be affixed to the TC 62-68 form.
  - ◆ The agent shall check the appraisal to ensure that no item paid for in the appraisal is included in the inventory of property to be moved.
- The district must obtain at least two estimates from qualified commercial movers if the estimated cost to move exceeds \$10,000. If less than \$10,000, the Right-of-Way Supervisor has the discretion to obtain one estimate or require two estimates.



**REQUIREMENTS****(cont.):**

- Before the move the Relocation Agent will advise the displacee that:
  - ◆ All personal property must be moved from the acquired real property
  - ◆ The displacee must provide reasonable advance notice of the approximate date of the start of the move
  - ◆ If there is any significant deviation from the list of items actually moved, the amount to be paid will be revised accordingly
  - ◆ Except in unusual situations, payment will be made only upon completion of the move
- Insurance for the replacement value of the property in connection with the move and necessary storage is available. Movers offer various types of insurance.
- Upon completion of the move, the Relocation Agent will verify by an on-site inspection that there was no substantial difference between the items listed on the inventory and those actually moved and that all personal property has been moved from the acquired real property.

Complete documentation of actual expenses incurred, such as receipted bills or invoices from the commercial mover, must be submitted to the district.

If unusual or complex items are to be moved, the Relocation Agent should be present on a parcel-by-parcel basis to verify that the move is performed as specified and that all items in the pre-move inventory are moved.





## RELOCATION ASSISTANCE

### Section

RESIDENTIAL MOVES

### Subject

Owner Retention of Dwelling

#### POLICY:

When an owner reacquires ownership of his or her dwelling that was acquired by the Cabinet, the cost of moving it to the remainder or to replacement land is not eligible for reimbursement.


Costs of temporary lodging and meals, limited to the standard per-diem rates for Transportation Cabinet employees, may be claimed on an actual, reasonable cost basis, when determined necessary by the Right-of-Way Supervisor. Lodging and meals may be considered reasonable and necessary for a short period of time when the displacee has no family or friends with whom to stay. Reimbursement for lodging and meals is to be supported by paid receipts.

The costs of moving the personal property are payable as a commercial move or by the fixed-rate schedule.

If the dwelling is used as a means of moving the personal property, the move costs are to be paid pursuant to the fixed-rate schedule outlined in **RA-406-1**.





 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>RESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Mobile Homes</p>

**MOBILE HOME  
AS REAL  
PROPERTY:**

If the landowner and the mobile-home owner are the same, the mobile home is considered a fixture (real property) and will be valued along with the land in the appraisal.

**MOBILE HOME  
AS PERSONAL  
PROPERTY:**

If the landowner and the mobile-home owner are different, the mobile home is considered personalty.

- **Owner-Occupant**—When a mobile home is considered to be personal property and an owner-occupant moves the mobile home with the personal property still inside, the displacee will be reimbursed for the actual costs of moving the mobile home, including the disconnect, reconnect, set-up, and skirting costs. The displaced person is not eligible for a fixed-rate move payment but shall receive a payment of \$350 for packing and securing personal property for the move.
- **Tenant-Occupant**—A displacee who resides as a tenant in a mobile home and moves only personalty and not the mobile home will be reimbursed according to the *Dislocation Allowance Schedule* in **Chapter RA-406-1** or may move the contents of the mobile home by using a commercial mover.


**REQUIREMENTS:**

Before the move the Relocation Agent will advise the displacee of the following:

- The displacee must not move until authorized to do so by the agent.
- All personal property must be moved from the acquired real property.
- Payment may be withheld if any personal property is abandoned.
- Except in unusual situations, payment will be made only upon completion of the move. (Prior Central Office approval is required.)

Upon completion of the move, the agent will verify by an on-site inspection that all personal property has been moved from the acquired real property.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>RESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Clergy</p>

**QUALIFICATION****AS A DISPLACEE:**


A clergyperson who resides in a parsonage or other residence provided by the congregation or church establishment that is acquired for a project may be eligible for moving and related expenses provided he or she qualifies as a displacee. The qualifications are as follows:

- Being in occupancy of the real property (parsonage) at the initiation of negotiations for the property; or
- Being in occupancy at the time he or she is given a written notice by the agency that it intends to acquire the property by a given date; and
- He or she moves from the real property or moves his or her personal property from the real property subsequent to the earlier of the above dates; and
- The real property is acquired.

It is important to establish the ownership of personal property so as to pay moving expenses to the appropriate party.

A replacement-housing payment may be made only when the clergyperson is required to pay rent (out-of-pocket) or when he or she purchases a replacement dwelling with his or her own funds because the congregation has not made available a replacement residence (parsonage) after the acquisition.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>NONRESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Eligible Moving Expenses</p>

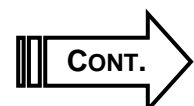
**MOVING EXPENSES  
ELIGIBLE FOR  
PAYMENT:**

Actual, reasonable moving and related expenses that will be paid are as follows:

- Transporting personal property for a distance of no more than 50 miles

**Note:** The Right-of-Way Supervisor may determine a move cannot be accomplished within 50 miles and therefore approve payment for a move beyond this distance, provided the file is appropriately documented and approved by Central Office.

- Packing, crating, unpacking, and uncrating of personal property
- Disconnecting, dismantling, removing, reassembling, and reinstalling relocated machinery, equipment, and other personal property
  - ◆ Substitute personal property is included.
  - ◆ Connections to nearby utilities are included. Expenses for providing utilities from the right-of-way line to the replacement site are eligible if the Cabinet determines they are actual, reasonable, and necessary.
  - ◆ Modifications to the personal property or to the utilities at the replacement site necessary to adapt them to each other or to meet occupational codes are included.
- Storing personalty, provided all of the following conditions are met:
  - ◆ The Relocation Agent determines that storage is reasonable and necessary. Such may be the case when a displacee, through no fault of his or her own, is unable to immediately occupy the replacement site after issuance of the department's 30-day notice to vacate.
  - ◆ The personalty is not stored on property being acquired or property already owned or leased by the displacee.



**MOVING EXPENSES  
ELIGIBLE FOR  
PAYMENT (cont.):**

- ◆ The Right-of-Way Supervisor gives prior written approval, and the file is appropriately documented.

**Note:** Storage is limited to a maximum period of 12 months unless the Right-of-Way Supervisor determines that storage for a longer period of time, up to a total maximum of 18 months, cannot be avoided.

- Insuring for the replacement value of the personal property in connection with the move and necessary storage

Movers offer various types of insurance. The three basic types are:

- ◆ Benefit paid by weight

This is the basic insurance required by state or local law. It pays an allowance for damage based on the weight of an item. This payment is typically 60 cents per pound.

- ◆ Benefit based on depreciated value

This type of insurance is common in moves subject to the jurisdiction of the Interstate Commerce Commission. It pays for the depreciated value of items damaged. If an entire shipment is lost, payment is limited by the total weight of the goods.

- ◆ Benefit based on replacement cost

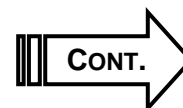
This insurance is generally available for added cost. It provides for replacement or repair of items damaged or destroyed.

- Providing for replacement value of property lost, stolen, or damaged in the moving process through no fault or negligence of the displacee or his or her agent or employee, where insurance covering such loss, theft, or damage is not available

**Note:** The district must verify that insurance coverage is unavailable. This provision is intended to be an exception rather than a common occurrence, since the financial risk could be high.

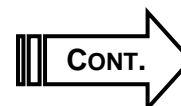
- Reinstalling a fixture—a concrete pad, foundation, pit, etc.—that exists as an integral part of a personal property item and only if treated in the appraisal as a fixture

**Note:** Reimbursement is limited to the cost of reinstallation less the value of the fixture in place.



**MOVING EXPENSES  
ELIGIBLE FOR  
PAYMENT (cont.):**

- Obtaining any license, permit, or certification required at the new location:
  - ◆ Only an item paid periodically is considered to be a license, permit, or certification. These items are renewable and valid only for a specific period of time.
  - ◆ Payment will be based upon the remaining useful life of the current license, permit, or certification, if not refundable or transferable.
  - ◆ If the license, permit, or certification is one that is required by local code at the replacement site but not at the previous site, payment will be for the minimum obtainable time.
- Providing professional services necessary for the following:
  - ◆ Planning the move of the personal property
  - ◆ Moving the personal property
  - ◆ Planning the installation of the relocated personal property at the replacement location
    - Payment is limited to relocating businesses to preexisting structures.
    - Payment is limited to planning the plant layout of tangible personal property only, for example, not for exterior design or landscaping.
    - Payment will not be made for services routinely provided by the Relocation Agent, such as advisory assistance, move-cost estimates, inventories, and move specifications, etc.
    - Payment will not be made for legal services provided to the displacee.
    - Professional services performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation, including but not limited to soil-testing, feasibility, and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site). At the discretion of the Cabinet a reasonable preapproved hourly rate may be established. (See appendix A, Sec. 24.303[b].)



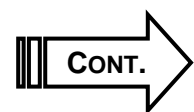
**MOVING EXPENSES  
ELIGIBLE FOR  
PAYMENT (cont.):**

- Impact fees or one-time assessments for anticipated heavy utility usage, as determined necessary by the agency.
- Relettering signs and replacing stationery, business cards, and invoices on hand that are made obsolete due to the move
  - ◆ The Department of Highways must approve the number and type of item(s) to be replaced and/or relettered.
  - ◆ Payment will be based on the number of obsolete items turned in to the district.
  - ◆ Payment for relettering a sign is limited, when possible, to changes in that portion of the sign made obsolete (for example, phone number and address). However, if necessary, the cost of relettering the entire sign may be paid.
  - ◆ Receipted bills from the provider(s) must document payment.
- Providing for actual direct loss of tangible personal property that will not be moved as a result of moving or discontinuing the business or farm operation (see **RA-407-7**). (This could be outdated equipment, old merchandise, etc.) The displacee may, with the Cabinet's written permission, opt to sell, abandon, or donate these goods. The displacee may then receive payment consisting of the lesser of:
  - ◆ The market value in place of the item as-is for continued use, less the proceeds from its sale
  - ◆ The estimated cost for moving the item as-is but not including any allowance for storage or for reconnecting a piece of equipment if the equipment is in storage or not being used at the acquired site

**Note:** If the business or farm operation is discontinued, the estimated cost of moving the item shall be based on a moving distance of 50 miles.

To be eligible for this payment, the displacee must make a good-faith effort to sell the item, unless the Cabinet determines that such effort is not necessary.

When payment for property loss is claimed for goods held for sale, the current fair-market sales price should be the basis of the cost of the goods to the business, not the potential selling price.



**MOVING EXPENSES  
ELIGIBLE FOR  
PAYMENT (cont.):**

- Attempting to sell an item that is not to be relocated for a business or farm operation due to size and/or obsolescence.

This provides payment for advertisement, equipment rental, auction fees, etc. Generally the goods to be sold should be of sufficient value to at least equal the cost of the sale. If items are not expected to produce sufficient revenues to at least pay the cost of the sale, then donation of the items or abandonment in place—with the Cabinet's permission—should be considered. The Cabinet's cost to remove such item shall not affect the amount of the payment to the displacee.

- Purchasing substitute personal property

If an item of personal property that is used as part of a business or farm operation is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, the displacee is entitled to payment of the lesser of:

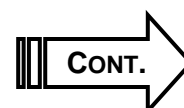
- ◆ The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item
- ◆ The estimated cost of moving and reinstalling the replaced item but with no allowance for storage

**Note:** At the agency's discretion the estimated cost for a low-cost or uncomplicated move may be based on a single bid or estimate.

- Searching for a replacement business, farm operation, or nonprofit organization site, not to exceed \$2,500.

A detailed accounting of time and expenditures shall be submitted and approved. Expenses eligible for reimbursement include:

- ◆ Transportation and meals, limited to current allowable travel expenses (including distance requirements) that Cabinet employees receive
- ◆ Lodging while 50 miles away from home, limited to standard single occupancy rates charged by motels/hotels within the search area unless the Right-of-Way Supervisor approves reimbursement for more than one representative of the displaced operation
- ◆ Time spent searching, based upon the reasonable salary or earnings of the person(s) conducting the search



**MOVING EXPENSES  
ELIGIBLE FOR  
PAYMENT (cont.):**

**Note:** A daily log showing the following information must accompany the claim in order to be reimbursed:

- Date of search
  - Persons contacted
  - Places visited
  - Activity involved
  - Basis for the hourly rate
- 
- ◆ Fees paid to a real estate agent/broker to locate a replacement site, exclusive of any fees or commissions related to the purchase of such site
  - ◆ The costs of obtaining permits and attending zoning hearings
- 
- Other moving-related expenses not listed as eligible under the above provisions nor listed as ineligible in **Section RA-404-2**, as the district deems reasonable and necessary, with prior written approval by the Relocation Branch Manager







## RELOCATION ASSISTANCE

### Section

NONRESIDENTIAL MOVES

### Subject

Advisory Services

#### IDENTIFYING NEEDS:

Through a personal interview, the district office is to determine the relocation needs and preferences of each nonresidential displacee within a given project area. The amount and extent of advisory services rendered are to be determined by the needs of the displacee.

#### EXPLAINING BENEFITS:

The relocation agent is to explain to each potential nonresidential displacee his or her rights to all right-of-way entitlements that are being offered. This includes providing information on filling out and filing necessary claim forms and explaining the benefits the displacee may qualify for and how to qualify for them, including relocation payments, eligibility requirements, and the procedures for obtaining such assistance. Along with the explanation, the agent is to give a relocation brochure to each potential displacee. Delivery of the brochure alone does not constitute explanation of advisory services.

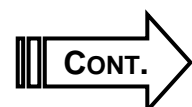
#### DOCUMENTING CONTACTS:

The relocation agent is to maintain a current TC 62-77 form, *Record of Contacts (Exhibit 02)*, documenting the details of all contacts, including telephone conversations, and the services provided to each displacee.

#### SERVICES TO NONRESIDENTIAL DISPLACEDS:

The District Right-of-Way Agent will maintain a list of services and provide it to nonresidential displacees for their assistance, as well as the address and phone number for the district. The district is to provide to each nonresidential displacee current and continuing information on the availability, purchase prices, and rental costs of comparable replacement business sites. At a minimum, interviews with displaced business owners and operators should include the following items:

- The business's replacement site requirements, current lease terms, other contractual obligations, and the financial capacity of the business to accomplish the move



**SERVICES TO  
NONRESIDENTIAL  
DISPLACEES (cont.):**


- Determination of the need for outside specialists in accordance with CFR 24.301 (g)(12) that will be required to assist in planning the move, assisting in the actual move, and reinstalling machinery and/or other personal property
- For business, an identification and resolution of personalty/realty issues

Every effort must be made to identify and resolve realty/personalty issue prior to, or at the time of, the appraisal of the property. If there are questions on this matter the Relocation Agent should discuss them with the appraiser prior to making any relocation offers.

- An estimate of the time required for the business to vacate the site
- An estimate of the difficulty anticipated in locating a replacement property
- An identification of any advance relocation payments required for the move and the Cabinet's legal capacity to provide them

A checklist for relocation advisory services (**Exhibit 24**) is available for convenience in delivering these program requirements. Please include the checklist in the project file, with appropriate attachments.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>NONRESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Self-Move</p>

**REIMBURSEMENT:** The owner of a displaced business, farm, nonprofit organization, off-premises sign, or other personal property may choose to be reimbursed for the actual, reasonable costs of moving his or her own personalty.

**PRE-MOVE  
INVENTORY:**

The Relocation Agent must:

- Obtain a certified pre-move inventory
- Review the appraisal to ensure that no item paid for in the appraisal is included in the inventory of personalty to be moved
- When bids are obtained, provide the movers with a copy of the certified pre-move inventory and, when necessary, copies of the scope of services and move specifications to ensure consistency between the movers' bids

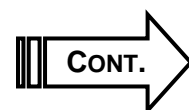
**Note:** If the mover is unable to provide a bid that includes costs for plumbing, electrical, rigging, etc., it may be best to obtain these services through separate bids arranged independent of the mover.

For large or complicated moves requiring special handling of items to be moved, subcontracted labor, or specialty work such as electrical or plumbing disconnecting and reconnecting, the displacee, a designee, or a department representative must write the complete move specifications and obtain approval by the Right-of-Way Supervisor. These specifications will then be submitted by the Relocation Agent to qualified movers to prepare bids.

**BASIS FOR  
PAYMENT:**

Payment will be based upon one of the following:

- If the estimated cost to move exceeds \$10,000, the lower of two bids obtained by the department or the displacee from qualified and precertified movers
- If the estimated cost to move is less than \$10,000, a single bid prepared by a qualified mover or a single estimate prepared by a qualified Transportation Cabinet employee



**BASIS FOR  
PAYMENT (cont.):**

- Actual documentation of reasonable expenses incurred, such as receipted bills, provided by the displacee
  - ◆ When a question as to the reasonableness of an expense exists, the department may obtain bids prepared by qualified movers. Bids will be based upon the certified pre-move inventory.
  - ◆ If the department determines that a bid is required to ascertain the reasonableness of a claim, payment will be based upon the lesser of the:
    - Actual expenses incurred, as documented by receipted bills
    - Bid obtained to ascertain the reasonableness of a claim

**ON-SITE  
MONITORING:**


When on-site monitoring is necessary, the following will be documented:

- Any equipment used in the move with any cost and time used noted
- Persons involved in the move, type of work performed, hourly wage, and time periods of actual work
- Amount of inventory moved during the monitoring period

**Note:** If there is any substantial difference between the certified pre-move inventory and the personalty actually moved, the Relocation Agent will inform the displacee that the department will reimburse only those costs associated with the items actually moved.

If a business, farm, or nonprofit organization is not required to move but has personal property only to be moved from the acquired site, reimbursement will be based on procedures outlined in **RA-410**, “Miscellaneous Moves.”



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>NONRESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Move-Cost Bids</p>

#### OBTAINING MOVE-COST BIDS:

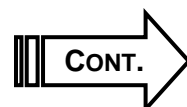
A move-cost bid is a price guarantee a mover gives to accomplish a specific move within a specific time frame as follows:

- The mover must be ready, willing, and able to begin the particular move within a reasonable time from notification and must sign a statement to that effect.
- At the Right-of-Way Supervisor's discretion, movers must complete bids in detail to be valid.
- The Relocation Agent must provide the TC 62-68 form, *Certified Inventory (Exhibit 06)*, and copies of the scope of services and complete set of move specifications to a mover submitting a move-cost bid. Each mover, along with a department representative, must then inspect the acquired and replacement sites prior to submitting a bid.
- For large or complicated moves requiring special handling of items to be moved, subcontracted labor, or specialty work such as electrical or plumbing disconnecting and reconnecting, the displacee, a designee, or a department representative must write the complete move specifications and obtain approval by the Right-of-Way Supervisor. These specifications will then be submitted by the Relocation Agent to qualified movers to prepare bids.
- If the mover is unable to provide a bid that includes costs for plumbing, electrical, rigging, etc., it may be best to obtain these services through separate bids arranged independent of the mover.

#### CATEGORIES OF MOVERS:

The type of mover selected is critical to assuring that a move is completed with minimum complications and disruptions to the business. A mover, in the broadest term, falls into one of the following general categories:

- **Household Goods Carriers**—These are generally what most people think of when someone says “mover.” These carriers specialize in moving personal property from homes and offices.



**CATEGORIES OF  
MOVERS (cont.):**

- **General Commodity Carriers**—These movers carry just about everything that can be boxed and moved within the physical constraints of its equipment. Generally, the entire load is one type of item—for example, a truckload of boxed paper, boxes stacked on pallets, or boxes of canned peaches leaving the canning factory.
- **Specialized Equipment Carriers**—These movers carry heavy or oversized items. Moving procedures are customized for the client—for example, moving towers, silos, and machinery.
- **Bulk Carriers**—These carriers typically carry gasoline, oil, milk, or grain in tank trucks.
- **Hazardous-Waste Carriers**—These carriers are the newest category of movers. Because of the potential liability of moving this load, they are extensively regulated and are still developing as an industry group.
- **Explosives Carriers**—These movers specialize in the transportation of combustible or explosive materials. Explosives carriers are generally also bulk carriers.
- **Vendor-type Movers**—A firm that sells LP gas tanks will usually move them; the local Pepsi Cola franchise will move its vending machines.

**BIDS OBTAINED  
BY DISPLACEE:**

When the displacee obtains move-cost bids, the following will apply:

- A minimum of two bids must be obtained from qualified movers if the estimated cost to move exceeds \$10,000. If less than \$10,000, the Right-of-Way Supervisor has the discretion to allow a single bid or require two.
- All bids must be submitted to the district within 20 days from the date that the district requests them.
  - ◆ The district should request bids as close to the anticipated move date as possible.
  - ◆ The replacement site should be known before requesting move-cost bids.



**BIDS OBTAINED  
BY DISPLACEE  
(cont.):**


- The department will reimburse the reasonable cost of obtaining two bids.
  - ◆ At the discretion of the Right of Way Supervisor, additional bids may be obtained.
  - ◆ The bidder's invoice for preparing a bid must include the date(s) of services, time of day, hours per day, and hourly rates for such preparation.
- The department will reimburse the reasonable cost of advertising for packing, crating, unpacking, uncrating, and transporting when the district determines that such advertisement is necessary. This provision is usually limited to complex or unusual moves where advertising is the only reasonable means of obtaining bids. Exceptions to this are permissible at the discretion of the Right-of-Way Supervisor.

**BIDS OBTAINED  
BY DISTRICT:**

When the district obtains bids, the following will apply:

- A minimum of two bids must be obtained from qualified movers if the estimated cost to move exceeds \$10,000. If under \$10,000 the Right-of-Way Supervisor has the discretion to obtain two bids, a single bid, or an estimate prepared by a qualified Transportation Cabinet employee, as deemed necessary.
- The district should obtain all bids as close to the anticipated move date as is possible.
- The replacement site should be known before requesting move-cost bids.
- The parcel file must be documented regarding all bids obtained.
- The department will reimburse the reasonable cost of obtaining a bid.
- The bidder's invoice for preparing a bid must include date(s) of services, time of day, hours per day, and hourly rates for such preparation.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>NONRESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Commercial Mover</p>

**REIMBURSEMENT:** The owner of a displaced business, farm, nonprofit organization, off-premises sign, or other personal property is eligible for reimbursement of actual, reasonable costs of moving by a licensed commercial mover, based upon the lower of two bids from qualified movers if the estimated cost to move exceeds \$10,000. If cost is less than \$10,000, the Right-of-Way Supervisor has the discretion to obtain a single bid or require two bids from qualified movers.

**PRE-MOVE  
INVENTORY:**

The Relocation Agent must:

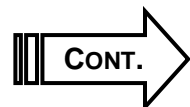
- Obtain a certified pre-move inventory, accompanied by the displacee or his or her assignee.
- Review the appraisal to ensure that no item paid for in the appraisal is included in the inventory of personalty to be moved
- Provide the movers with a copy of the certified pre-move inventory and, when necessary, copies of the scope of services and move specifications to ensure consistency between the movers' bids
- Obtain adequate documentation of the chosen mover's charges in the form of receipted bills or similar documentation

**ON-SITE  
MONITORING:**

Small or uncomplicated moves require no on-site monitoring other than verification that the move has been completed.

Large or complicated moves that require special handling of items to be moved or subcontracted labor require monitoring. The Relocation Agent will maintain a detailed monitoring report that includes:

- ◆ Date and time of report
- ◆ Location, such as acquired or replacement site
- ◆ Number and types of personnel actually involved in the move (such as general laborer and foreman), including time period each worked





**ON-SITE  
MONITORING (cont.):**

- ◆ Equipment being used in the move
- ◆ Quantity of inventory moved during the monitoring period
- ◆ Special services performed, such as electrical and plumbing, with breakdown as to work done per item, per length of time
- ◆ Unusual circumstances or special conditions affecting the move during the reporting period
- ◆ Advisory services provided during the monitoring period

The Relocation Agent may use videotapes and/or photographs when appropriate.

**POST-MOVE  
INVENTORY:**

A certified post-move inventory is mandatory if an adjustment will be made to the approved move estimate. The Relocation Agent must inform the displacee that the department will reimburse only those costs associated with the items actually moved.





## RELOCATION ASSISTANCE

### Chapter

NONRESIDENTIAL MOVES

### Subject


Combined Move

### COMBINED COMMERCIAL & SELF-MOVES:

The owner of a displaced business, farm, nonprofit organization, or legal off-premises sign may choose a combination of the commercial and self-move methods. The requirements are as follows:

- The appropriate provisions for each option apply.
- Prior to obtaining move-cost bids, the displacee must identify what portion of the move a commercial mover will perform and what portion the displacee will perform.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>NONRESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Low-Value, High-Bulk Items</p>

**POLICY:**

If the estimated cost to move an item of low value and high bulk disproportionately exceeds its value, the district may offer to pay with the approval from Central Office the displacee the lesser of:

- The estimated cost to move the item
- The difference between the cost to replace the item with a comparable item and the reasonable amount that could be received if the item was liquidated

The department must:


- Make a written and supported estimate of the cost to move the item

The department may obtain the move cost estimate from a qualified mover or from a qualified Transportation Cabinet employee. When the estimated cost to move the item exceeds \$10,000, the department must obtain two bids from qualified movers.

- Make a written and supported estimate of the item's liquidation value (the price an owner is obliged to accept when the property must be sold without reasonable market exposure)
- Make a written and supported determination of the cost to replace the item at the replacement site
- Advise the owner that his or her payment entitlement is the lesser of the following:
  - ◆ Difference between the liquidation value and the replacement cost
  - ◆ Cost to move the item

Low-value, high-bulk items do not remain the property of the displacee. With the Cabinet's permission, the displacee may dispose of the item or abandon the item on site.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>NONRESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Direct-Loss Payment/Purchase of Substitute Personal Property</p>

**POLICY FOR  
DIRECT-LOSS  
PAYMENTS:**

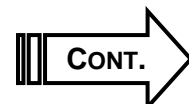
When the actual direct loss of eligible tangible personal property occurs as result of moving or discontinuing the business or farm operation, the Cabinet may offer reimbursement for actual direct losses based on the lesser of the following:

The displacee could claim a direct-loss payment for outdated equipment, old merchandise, etc. The Cabinet must require the displacee to attempt to sell the goods or may give written permission for the displacee to donate or abandon the goods.

When the Cabinet permits abandonment of the items, the Cabinet's cost to remove the items shall not affect the amount of the payment to the displacee.

The Cabinet will issue payment only after the displacee makes a bona fide effort to sell the items. The displacee shall provide the district with a bill of sale or similar document to support proceeds from the sale. Generally, the goods to be sold should be of sufficient value to at least equal the cost of the sale. If the items are not expected to produce sufficient revenues to at least pay the cost of the sale or if there is no market for the items, then an effort to sell will not be required. When the district determines there is no need to attempt to sell the items, the parcel file will be documented accordingly by the Relocation Agent.

The Cabinet will deduct the actual, reasonable costs to advertise and conduct the sale from the proceeds of the sale before calculating the values. Reasonable costs incurred in attempting to sell an item would include advertisement, equipment rental, auction fees, etc. The displacee shall provide the district with copies of advertisements, offers to sell, auction records, and invoices to support actual, reasonable costs of the sale.



**POLICY FOR  
DIRECT-LOSS****PAYMENTS (cont.):** The following will apply:

If the item of personalty is not to be replaced at the new location, payment will be the lesser of (1) or (2) below:

1. Fair market value of the item for continued use at the acquired site minus the proceeds of the sale

When payment for property loss is claimed for goods held for sale, the fair market value is based on the replacement cost of the goods to the business, not on the potential selling price. The cost of goods to the business includes the:

- ◆ Amount originally paid to acquire the goods less depreciated value
- ◆ Current cost to maintain and house the goods

2. Estimated cost to move the item to the replacement site or a distance no farther than 50 miles if no move is to take place, with no allowance for storage

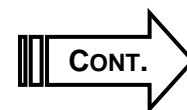
When the estimated cost to move the item exceeds \$10,000, bids from two qualified movers must be obtained. When the estimated cost is less than \$10,000, the Right-of-Way Supervisor has the discretion to require two bids, use one bid, or use a single estimate prepared by a qualified Cabinet employee.

When the displacee makes a bona fide effort to sell an item but receives no offers, the displacee can abandon or donate the item. If the abandoned item is not promptly replaced with a substitute item at the new site, payment will be calculated as outlined in this section.

If the displacee does not make a bona fide effort to sell and the property is abandoned, the owner of the property is not entitled to payment for move costs or a direct-loss payment.

The Cabinet will not charge against other eligible move-cost payments the cost to remove abandoned personal property for which an actual direct-loss payment was claimed.

The displacee shall by a bill of sale transfer ownership to the Cabinet of any personal property that has not been moved, sold, or traded.



**POLICY FOR  
PURCHASE OF  
SUBSTITUTE  
PROPERTY:**

The following will apply:

- If the operation is to be reestablished and a substitute item is promptly purchased for the new location to replace a similar item at the acquired site, payment will be the lesser of the:
  - ◆ Cost of the substitute item, including allowable installation costs at the new site, minus any proceeds from the sale, or trade-in value, if applicable
  - ◆ Estimated cost to move and reinstall the replaced item at the approved replacement site, with no allowance for storage

When the estimated cost to move and reinstall the item exceeds \$10,000, bids from two qualified movers must be obtained. When the estimated cost is less than \$10,000, the Right-of-Way Supervisor has the discretion to require two bids, use one bid, or use a single estimate prepared by a qualified Cabinet employee.

Direct-loss payments for off-premises sign owners are payable as described in **Section RA-407-9**.





## RELOCATION ASSISTANCE

### Section

NONRESIDENTIAL MOVES

### Subject

Reestablishment Expenses

### ELIGIBILITY FOR PAYMENT:

In addition to the payment for moving and related expenses available under **Section RA-407-1**, a small business, farm, or nonprofit organization may be eligible to receive a payment, not to exceed \$10,000, for expenses actually incurred in relocating and reestablishing a small business, farm, or nonprofit organization at a replacement site.

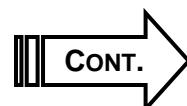
In determining whether two or more displaced legal entities constitute a single business, which is entitled to only one reestablishment payment, all pertinent factors must be considered, including the extent to which the:

- Same premises and equipment are shared
- Substantially identical or interrelated business functions are carried out and business and financial affairs are commingled
- Entities are held out to the public, and to those customarily dealing with them, as one business
- Same person or closely related persons own, control, or manage the affairs of the entities

### ELIGIBLE EXPENSES:

Reestablishment expenses must be reasonable and necessary, as determined by the Cabinet, and all reestablishment payments must be supported with receipts. They may include, but are not limited to, the following:

- Repairs or improvements to the replacement real property as required by federal, state, or local law, code, or ordinance
- Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business
- Construction and installation costs for exterior signing to advertise the business



**ELIGIBLE  
EXPENSES (cont.):**

- Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting
- Licenses, fees, and permits when not paid as part of moving expenses
- Advertisement of the replacement location
- Estimated increased cost of operation during the first two years at the replacement site for such items as:
  - ◆ Lease or rental charges
  - ◆ Personal or real property taxes
  - ◆ Insurance premiums
  - ◆ Utility charges, excluding impact fees
- Other items the district determines to be essential to reestablish the business, with prior written approval of the Relocation Branch Manager


**INELIGIBLE  
EXPENSES:**

The following is a nonexclusive listing of reestablishment expenses not considered to be reasonable, necessary, or otherwise eligible:

- Purchase of capital assets, such as office furniture, filing cabinets, machinery, or trade fixtures
- Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation
- Expenses for interior or exterior redecoration at the replacement site that are for aesthetic purposes, except as provided in this manual
- Interest on money borrowed to make the move or to purchase the replacement property
- Payment to a part-time business in the home that does not contribute materially to the household income
- Any reestablishment expense that has already been paid to the displaced person through the acquisition process





 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>NONRESIDENTIAL MOVES</p>
	<p><i>Subject</i></p> <p>Off-Premises Signs (Billboards)</p>

**OVERVIEW:**

In Kentucky, billboard signs are considered to be personal property affixed to the real property. For right-of-way acquisition purposes, they are considered to be those signs that advertise products or business activities foreign to the subject property. These structures are typically owned by individuals or businesses that lease the sign site from the fee landowner. Because they are treated as personal property, billboards are normally handled as relocation items and need not be included in appraisals. Signs on the acquisition site owned by the business or real property owner are typically included in the appraisal and are not relocation items.

**ELIGIBILITY FOR REIMBURSEMENT:**

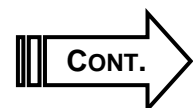
Legally erected and maintained off-premises signs are eligible to be moved, and the sign owner is entitled to reimbursement for the actual, reasonable costs to move the sign to a replacement site. The owner of a legally erected and maintained off-premises sign may be eligible for:

- ◆ Search-for-site expenses
- ◆ Direct-loss payment
- ◆ Payment to purchase substitute personal property

The Cabinet shall not reimburse the owner of an off-premises sign for search expenses when the owner moves the sign to a different location on the remaining site.

The Relocation Agent is to advise the sign owner in writing that, to establish eligibility, the owner must provide a copy of a permit when an off-premises sign is located in an area where a permit is required. The agent then needs to inform the sign owner of his or her relocation options.

An off-premises sign owner **is not eligible** for move-cost and other related payments if the owner moves the sign to a site in violation of federal, state, or local regulations.



**RELOCATION OPTIONS  
FOR LEGAL OFF-  
PREMISE SIGNS:**

If the owner of a legally permitted sign chooses not to move the sign or if the sign cannot be reerected or replaced with a substitute sign because it will be in conflict with federal, state, or local regulations, the Cabinet may issue a direct-loss payment on the basis of the lesser of the:

- Depreciated reproduction cost of the sign as determined by the department (obtained from a review appraiser or a sign company) minus the proceeds of its sale
- Estimated cost to move the sign, with no allowance for storage

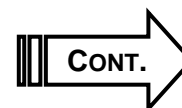
When the estimated cost to move the sign exceeds \$10,000, the Cabinet requires bids from two qualified movers. When the estimated cost is less than \$10,000, the Right-of-Way Supervisor has the discretion to require two bids, use one bid, or use a single estimate prepared by a qualified Cabinet employee.

If the displacee elects to promptly purchase a conforming replacement sign, payment shall be the lesser of the:

- Cost of the substitute sign, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced sign
- Estimated cost to move and reinstall the replaced sign but with no allowance for storage

The Cabinet will base payment on the actual, reasonable costs to obtain a conforming replacement sign that provides a function similar to the existing sign in terms of visibility, lighting, etc. Such basis may require a change in the style of the sign—such as a sign mounted on the side of a building to replace a pole sign, or a smaller substitute sign may require lighting to provide similar visibility to a larger unlighted sign. However, the displacee should take care to ensure that the new sign is not an unnecessary enhancement over the existing sign. When the replacement sign is an enhancement, the Cabinet limits payment to the cost of a sign that conforms to the existing ordinance and provides a function similar to the existing sign.

The following examples are provided for clarification purposes.



**EXAMPLES:**

**Example 1:** An off-premises sign located in the proposed right of way can be reerected, but the sign owner elects not to do so. The estimated cost to move the existing sign up to 50 miles is \$7,500, and its depreciated reproduction cost is \$5,000. The existing sign has some value, and the Right-of-Way Supervisor determines an attempt to sell is needed. The results are as follows: The sale cost \$100, and the proceeds from the sale amounted to \$500. Payment is calculated below:

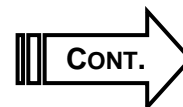
<b>Depreciated Reproduction Cost</b>	\$5,000	<b>Estimated Cost to Move</b>	\$7,500
<b>Proceeds from Sale</b>	\$ 500		
<b>Less Cost of Sale</b>	<u>100</u>		
<b>Net from Sale</b>	\$ 400	<u>- 400</u>	
<b>Depreciated Reproduction Cost Less Proceeds from Sale</b>	\$4,600		

The sign owner incurs a cost of \$100 for the sale, keeps the \$500 proceeds from the sale, and is eligible for a \$4,600 direct-loss payment.

**Example 2:** An off-premises sign located in the proposed right of way cannot be relocated or replaced because of the current sign ordinance. The estimated cost to move the existing sign up to 50 miles is \$8,500, and its depreciated reproduction cost is \$6,000. The existing sign has some value, and the Right-of-Way Supervisor determines an attempt to sell is needed. The results are as follows: The sale cost \$150 but resulted in no offers. Payment is calculated below:

<b>Depreciated Reproduction Cost</b>	\$6,000	<b>Estimated Cost to Move</b>	\$8,500
<b>Proceeds from Sale</b>	\$ 0		
<b>Less Cost of Sale</b>	<u>150</u>		
<b>Net from Sale</b>	- 150	<u>+ 150</u>	
<b>Depreciated Reproduction Cost Less Proceeds from Sale</b>	\$6,150		

The sign owner incurs a cost of \$150 for the sale, receives no offers on the sign, and is eligible for a \$6,150 direct-loss payment.



**EXAMPLES****(cont.):**

**Example 3:** An off-premises sign located in the proposed right of way cannot be relocated because it is nonconforming to the current sign ordinance. The estimated cost to move the existing sign, if it could be reerected, is \$3,500. The cost to purchase and install a new conforming sign that provides a similar function to the existing sign is \$7,000. The existing sign has minimal value, and the Right-of-Way Supervisor determines an attempt to sell is unnecessary. Payment is calculated below:

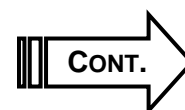
<b>Cost to Install New Conforming Sign</b>	<b>\$7,000</b>	<b>Estimated Cost to Move</b>	<b>\$3,500</b>
<b>Proceeds from Sale</b>	<b>\$0</b>		
<b>Less Cost of Sale</b>	<b>0</b>		
<b>Net from Sale</b>	<b>\$0</b>	<b>0</b>	
<b>Cost to Install New Conforming Sign Less Proceeds from Sale</b>	<b>\$7,000</b>		

The owner was not required to attempt a sale, so the sign owner incurred no cost for or proceeds from a sale. The sign owner is eligible for a \$3,500 payment for purchase of the substitute sign.

**OFFER OF  
RELOCATION  
BENEFITS:**

Promptly after the initiation of negotiations, the Relocation Agent will provide the owner of an off-premises sign a written notice of relocation eligibility. The agent must personally deliver the notice or send it by certified mail, return receipt requested. Any leasehold interest the sign owner holds in the real property to be acquired must be addressed through the acquisition process. The relocation notice will include an explanation of the direct-loss and purchase-of-substitute-personal-property options. The Relocation Agent will also advise the sign owner of the claim process and will assist in preparing and filing a claim for reimbursement.

The written offer of relocation benefits shall notify the displacee of the right to appeal in accordance with **Chapter RA-509**, "General Relocation Requirements."



**90-DAY &  
30-DAY NOTICES  
TO VACATE:**

The owner of an off-premises sign will be given a 90-day notice in accordance with **Chapter RA-507**, “Relocation Notices.”

When the Cabinet obtains possession of the property and 60 days have passed from the date the sign owner received the 90-day notice, the Relocation Agent will deliver to the sign owner a 30-day notice to vacate. This notice will state the specific date by which the sign must be removed. The notice must provide a minimum of 30 days from the date of receipt of the notice to relocate the sign from the acquired right of way.

If the sign is not relocated by the specified vacate date, the Right-of-Way Supervisor will request in writing that the District Attorney begin eviction proceedings.





## RELOCATION ASSISTANCE

### Chapter

### MOVING & RELATED EXPENSES

### Subject

Fixed Payments  
(In Lieu of Payment)

#### ELIGIBILITY FOR FIXED PAYMENT:

A displaced business, farm, or nonprofit organization may be eligible to choose a fixed payment in lieu of the payments for actual moving and related expenses and actual, reasonable reestablishment expenses. Such fixed payment, except for payment to a nonprofit organization, shall equal the average annual net earnings of the business, as computed in "Average Annual Net Earnings" of this chapter, but not be less than \$1,000 or more than \$20,000.

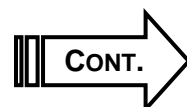
To be eligible for a fixed payment, a business, farm, or nonprofit organization:

- Must own or rent personal property that must be moved in connection with such displacement for which an expense would be incurred in such move and must vacate or relocate from its displacement site
- Must not be relocated without a substantial loss of existing patronage, clientele, or net earnings

A business is assumed to meet this test unless the department determines that it will not suffer a substantial loss of its existing patronage.

The department will make this determination, using the following guidelines as applicable, and document the file with the reasons for the determination:

- ◆ Nature of the business and business type
- ◆ Nature of clientele, such as walk-ins, referrals, or telephone contacts
- ◆ Whether transaction of business occurs on the displacement site or elsewhere
- ◆ Any other point considered relevant by the Relocation Agent
- Must not be part of a commercial enterprise having more than three other entities that are not being acquired by the department and that are under the same ownership and engaged in the same or similar business activities



**ELIGIBILITY FOR  
FIXED PAYMENT (cont.):**

- Must not be operated at the displacement dwelling or site solely for the purpose of renting the dwelling or site to others
- Must have contributed materially to the income of the displaced person during the two taxable years prior to the displacement

**Note:** *Contributes materially* means that, during the two taxable years prior to the taxable year in which displacement occurs, a business or farm operation:

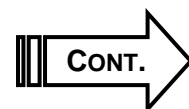
- ◆ Had average annual gross receipts of not less than \$5,000 or
- ◆ Had average annual net earnings of not less than \$1,000 or
- ◆ Contributed at least 33 ⅓% of the owner's or operator's average annual income from all sources

*Taxable year* is defined as any twelve-month period used by the operation in filing federal income tax returns.

**AVERAGE ANNUAL  
NET EARNINGS:**

*Average annual net earnings* means one-half of the net earnings of the operation at the acquired site, before federal, state, and local income taxes, during the two taxable years prior to the taxable year in which displacement occurs and is determined as follows:

- Average annual net earnings include any compensation paid by the operation to the owner, the owner's spouse, or the owner's dependents during the two-year period. In the case of a corporate owner, earnings include any compensation paid to the spouse or dependents of the owner of a majority interest in the corporation, as well as compensation paid to the owner(s) regardless of percentage of ownership in the corporation. For the purpose of determining majority ownership, stock held by a person and his or her spouse and dependent children shall be treated as one unit.
- If this criteria creates an inequity or hardship and the displaced business or farm provides appropriate documentation to show that the two-year period is not representative, the Right-of-Way Supervisor can approve an alternative two-year period during which the business or farm was in operation at the acquired site. The Relocation Branch Manager must concur in writing with the decision to use an alternative period.



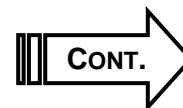
**AVERAGE ANNUAL  
NET EARNINGS  
(cont.):**

It would clearly be appropriate to use a different two-year period if:

- ◆ Acquisition for the proposed project caused an outflow of residents, thereby resulting in a decline in net income for the business or farm
- ◆ Income declined significantly through no fault of the operator (for example, prolonged major illness or hospitalization of the operator or the operator's spouse or dependents; or acts of God that disrupted the operation)

**Note:** The two-year period should not be changed if improper management or other avoidable influences caused the decrease in net income.

- The displacee must furnish the department with proof of net earnings by providing complete federal and state income tax returns and, when requested, a financial statement that has been certified as conforming to generally accepted accounting principles (GAAP) by a certified public accountant. Tax returns must be accompanied by a written certification or affidavit from the displacee attesting that the returns are true and correct copies of the ones submitted to the Internal Revenue Service. The statement should also express the displacee's concurrence for the department to request copies of the returns from the Internal Revenue Service in cases where the department thinks copies are necessary.
- If the business or farm was not in operation for the full two taxable years prior to displacement and is otherwise eligible, payment shall be computed by dividing the net earnings by the number of months in operation and multiplying that amount by 12.
- If a loss of net income occurs in one year and a gain in the other year, the income of the year in which the loss was incurred shall be computed as zero when determining the average net income for the two-year period. If a loss of net income occurs in both years, the displacee is still eligible for the minimum \$1,000 fixed payment.





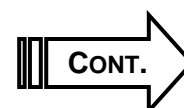
**FINANCIAL  
STATEMENTS:**

Types of financial statements include:

- **Sole Proprietorship**—A sole proprietorship files its business's income tax returns as part of the proprietor's personal income tax returns. The Schedule C shows the business's income data, including gross receipts and net profit or loss. The net is carried over to the proprietor's finances as an addition to or deduction from personal income. No compensation is assigned to the proprietor before arriving at the business's net. However, wages are deducted for others, which might include compensation paid to the proprietor's spouse or dependent children. Compensation paid to the proprietor and the proprietor's spouse and dependent children should be included in calculating the payment when tax returns of the proprietor's spouse and children document compensation paid to them.
- **Rental Realty**—Owners of rental realty file the Schedule E as part of their personal tax returns. This schedule delineates the finances of all rental properties owned. Each property is listed separately, with its gross and net incomes. A business that operates at the displacement site or dwelling solely for the purpose of renting such site or dwelling to others is not eligible for a fixed in-lieu-of payment.
- **Partnership**—A partnership files the Form 1065. The front page of the return shows:
  - ◆ Gross receipts
  - ◆ Salaries and wages paid to all other than to the partners
  - ◆ Guaranteed payments to the partners
  - ◆ Final ordinary income or loss of the partnership

Compensation paid to the majority partner and the majority partner's spouse and dependent children should be included in calculating the payment when tax returns of the majority partner's spouse and children document compensation paid to them.
- **Corporation**—A corporation files the Form 1120. The front page of the return shows:
  - ◆ Gross receipts
  - ◆ Compensation to officers (which is broken down by name and amount on the accompanying Schedule E)
  - ◆ Salaries and wages paid to others
  - ◆ Resulting corporation's taxable income

Compensation paid to the majority owner and the majority owner's spouse and dependent children should be included in calculating the payment when tax returns of the majority owner's spouse and children document compensation paid to them.



**FINANCIAL  
STATEMENTS  
(cont.):**

- **Profit-and-Loss Statements**—Profit-and-loss statements are prepared by many businesses, and they generally contain similar line items. However, tax returns are required to document payment.
- **Return of Organization Exempt from Income Tax**—Some nonprofit organizations exempt from income taxes file the Form 990. The front page of the return lists total revenue, total expenses, and excess or deficit for the year.

Churches are not required to file tax returns with the Internal Revenue Service. To determine the payment amount of a church, the department needs:

- ◆ Certified copies of annual financial statements filed with the church's governing board or board of trustees
- ◆ Copy of the annual financial report to the church's denomination, along with instructions for preparation of the report
- ◆ Bank records, which may also help document gross revenue less administrative expenses

**SELF-EMPLOYED  
PERSONS:**

A person is self-employed if he or she is:

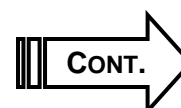
- Sole proprietor of a trade or business
- Independent contractor
- Member of a partnership
- In business for himself or herself in any other way

Self-employment can include work in addition to regular full-time business activities. It also includes part-time work that one does at home or in addition to a regular job. A self-employed person must file the Form 1040 and Schedule SE if net earnings from self-employment (excluding church-employee income) is \$400 or more.

**DETERMINATION  
OF SINGLE  
BUSINESS  
STATUS:**

In determining whether two or more displaced legal entities constitute a single business that is entitled to only one fixed payment, all pertinent factors must be considered, including the extent to which:

- The same premises and equipment are shared
- Substantially identical or interrelated business functions are carried out and business and financial affairs are commingled



**DETERMINATION  
OF SINGLE  
BUSINESS  
STATUS (cont.):**

- The entities are held out to the public, and to those customarily dealing with them, as one business
- The same person or closely related persons own, control, or manage the affairs of the entities

**FARM OPERATION  
OWNER  
ELIGIBILITY:**

A displaced farm operation owner may be eligible to choose a fixed payment in lieu of a payment for actual moving and related expenses and actual reasonable reestablishment expenses equal to the average annual net earnings of the business, but no less than \$1,000 nor more than \$20,000. The determination is as follows:

- All provisions of “Eligibility for Fixed Payment” and “Average Annual Net Earnings” in this chapter apply.
- In the case of a partial acquisition of land that was a farm operation prior to the acquisition, the fixed payment shall be made only if the district determines that:
  - ◆ The acquisition of part of the land caused the operator to be displaced from the farm operation on the remaining land
  - ◆ The partial acquisition caused a substantial change in the nature of the farm operation

**NONPROFIT  
ORGANIZATION  
ELIGIBILITY:**

A displaced nonprofit organization may be eligible to choose a fixed payment of \$1,000 to \$20,000 in lieu of payment for actual moving and related expenses and actual reasonable reestablishment expenses. A nonprofit organization is a corporation duly registered with the Kentucky Secretary of State as a Corporation Not for Profit. The corporation must also be exempt from paying federal income taxes under **Section 501 of the Internal Revenue Code (26 USC 501)**. The determination is as follows:

- To be eligible for this payment, a nonprofit organization cannot relocate without a substantial loss of its existing membership or clientele. A nonprofit organization is assumed to meet this test unless the department determines that the organization will not suffer a substantial loss of its existing membership or clientele.



**NONPROFIT  
ORGANIZATION  
ELIGIBILITY (cont.):**

- Any payment in excess of \$1,000 must be supported with financial statements for the two 12-month periods prior to the date the real property is acquired. The amount to be used for the payment is the average of two years' annual gross revenues less administrative expenses, not to exceed \$20,000.

- ◆ Gross revenues may include:

- Membership fees
- Class fees
- Cash donations
- Tithes
- Receipts from sales
- Other forms of fund collection that enable the nonprofit organization to operate

- ◆ Administrative expenses are those for administrative support, such as:

- Rent
- Utilities
- Salaries
- Advertising
- Other like items
- Fund-raising expenses

**Note:** Operating expenses for carrying out the purposes of the nonprofit organization are not included in administrative expenses. The monetary receipts and expenses amounts may be verified with certified financial statements or financial documents required by public agencies.





## RELOCATION ASSISTANCE

### Chapter

MOVING & RELATED EXPENSES

### Subject

Hazardous Wastes & Substances

### HAZARDOUS WASTES:

By sending the TC 62-91 form, *Hazardous Substance Notice* (**Exhibit 17**), the district shall notify all nonresidential displacees, with the exception of sign owners, of their responsibilities under applicable state law pertaining to hazardous waste. The district may determine that a sign owner should also receive notification. If so, the district shall include documentation of such notification in the file.

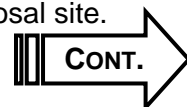
In accordance with all applicable laws, regulations, and ordinances, the displacee must empty all underground and aboveground tanks in service prior to the subject site's being vacated. These tanks and their contents cannot be abandoned.

If the displacee chooses to dispose of the tank contents, the Cabinet will pay the lesser of the cost of disposal or the cost to move. If the displacee chooses to move the tank contents to the replacement site, the department will pay the actual, reasonable, and necessary costs associated with the move.

### OTHER HAZARDOUS MATERIALS:

In accordance with all applicable laws, regulations, and ordinances, the displacee must dispose of all hazardous substances, pollutants, and contaminants that are not hazardous wastes or move them to the replacement site. They cannot be abandoned but must be addressed as follows:

- The department will pay the lesser of the cost of disposal or the cost to move if the displacee chooses to dispose of the hazardous materials.
- If the displacee chooses to move the hazardous materials to the replacement site, the department will pay the actual, reasonable, and necessary costs associated with the move, as long as the replacement site is legally permitted within state statutes.
- If the applicable law does not permit the displacee to move the hazardous materials to the replacement site, the department will pay for the costs of disposal and transportation to the disposal site.



**OTHER  
HAZARDOUS  
MATERIALS (cont.):**


- If disposal of hazardous materials is part of the displacee's normal operation, the department will not pay for the cost of such disposal. However, if the operation maintains a schedule for pick-up or transportation of hazardous materials to a disposal site and is required to move the materials at an unscheduled time, the department will pay the actual, reasonable, and necessary costs associated with the move.
- **Under no circumstances is the department to be considered the owner or shipper of any hazardous materials in its transportation to a replacement site or a disposal site.**

**GENERATOR OF  
SOLID WASTES:**

Any generator of a solid waste must make a hazardous waste determination under the Resource Conservation and Recovery Act (RCRA), 45 USC 6901 et seq.

The generator must dispose of all hazardous wastes, as defined in RCRA, in accordance with all applicable laws, regulations, and ordinances at the sole cost of the generator before the subject site is vacated.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><b>Chapter</b></p> <p>MOVING &amp; RELATED EXPENSES</p>
	<p><b>Subject</b></p> <p>Miscellaneous Moves</p>

**TYPES OF  
MISCELLANEOUS  
MOVES:**

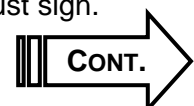
Owners of personalty on real property being acquired are eligible for reimbursement of the actual and reasonable costs to move their own personal property. Acquisition for a project may require the move of personal property that fits none of the definitions for residential, business, farm operation, or nonprofit organization moves. The types of moves that fit into this category include the following:

- Part of a residential tract is being acquired, and only a shed or garage containing personal property is on the tract being acquired.
- In addition to a residence, the acquisition affects an outbuilding, within which the occupant has a workshop with large (bulky and/or heavy), nonresidential used equipment.
- A tenant-occupied residence is acquired, and the owner has some personal property on site.
- Individual does not occupy a residence being acquired but has personal property stored on the real property being acquired.
- Business is not being displaced but has personal property within the area being acquired.

**PROCEDURES  
FOR SUCH  
MOVES:**

Any one of these types of moves may be handled as a self-move based on an estimate by a qualified Cabinet employee or by a licensed commercial mover (whose certificate is issued by the Kentucky Department of Vehicle Regulation). The following requirements apply:

- Before the move, the Relocation Agent shall inventory personal property to be moved.
  - ◆ The TC 62-68 form, *Certified Inventory (Exhibit 06)*, is to be completed. The inventory may be a typed list or pictures of items to be moved. When pictures are used in lieu of a typed list, they are to be affixed to the form, which the displacee must sign.



**PROCEDURES  
FOR SUCH  
MOVES: (cont.):**

- ◆ The Relocation Agent shall check the appraisal to ensure that no item paid for in the appraisal is included in the inventory of property to be moved.
- The Relocation Agent shall obtain at least two bids from qualified commercial movers if the estimated cost to move exceeds \$10,000. If less than \$10,000, the Right-of-Way Supervisor has the discretion to obtain two bids, a single bid prepared by a commercial mover, or a single estimate prepared by a qualified Transportation Cabinet employee.
- The Relocation Agent shall advise the displacee of the following:
  - ◆ All personal property must be moved from the acquired real property.
  - ◆ Displacee must provide reasonable advance notice of the approximate date of the start of the move.
  - ◆ If there is any significant deviation from the list of items actually moved, the amount to be paid will be revised accordingly.
  - ◆ Except in unusual situations, payment will be made only upon completion of the move.
- Upon completion of the move, the Relocation Agent shall verify by an on-site inspection that there was no substantial difference between the items listed on the Certified Inventory and those actually moved.
- Complete documentation of actual expenses incurred, such as receipted bills or an invoice from the commercial mover, must be submitted to the district by the relocatee.
- If unusual or complex items are to be moved, the Relocation Agent shall be present on a parcel-by-parcel basis to verify that the move is performed as specified and all items in the pre-move inventory are moved.







## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Eligibility Criteria

### ELIGIBILITY CRITERIA:

A displaced residential owner or tenant is eligible for a replacement housing payment if he or she is displaced from a dwelling as a result of Cabinet acquisition and/or displacement actions.

The dwelling from which a person is displaced must be his or her domicile. A domicile is a person's true, fixed, permanent home and principal establishment to which the displacee, when absent, has full intention of returning.

The dwelling from which a person is displaced may include a single-family house; a single-family unit in a two-family, multi-family, or multi-purpose property; a unit of a condominium or cooperative housing project; a nonhousekeeping unit; a mobile home; or other residential unit.

The displacee's ownership status and length of occupancy of the acquired property determine the type of replacement housing payment for which he or she may qualify.

To qualify for payment, the displacee must comply with the requirements prescribed in these procedures.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Ineligible Criteria

### PERSONS NOT ELIGIBLE:

The following do not qualify as displaced persons:

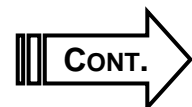
- One who moves before the initiation of negotiations unless the department determines that person was displaced as a direct result of the project (the department's determination of eligibility is to be documented in the file)
- One who initially occupies the property after the date of its acquisition
- One who does not need to relocate permanently as a direct result of a project
- One who the department determines is not displaced as a direct result of a partial acquisition
- One who, after being issued a notice of relocation eligibility, is notified in writing that the displacement will not occur after all, provided the person has not yet moved

**Note:** The department is to reimburse any expenses incurred by a written contract to relocate that was entered into after the date of the notice of relocation eligibility and before receipt of the notice that the relocation will not occur.

- An owner/occupant who voluntarily conveys his or her property after being informed in writing that the department will not acquire the property unless a mutually satisfactory agreement of sale is reached

**Note:** In such cases, any resulting displacement of a tenant is subject to the regulations in this procedure.

- One who retains the lifetime right to use the real property after acquisition by the department
- One who has occupied the property for the purpose of obtaining assistance under The Uniform Act



**PERSONS NOT  
ELIGIBLE (cont.):**

- One who the department determines was in unlawful occupancy prior to the initiation of negotiations or one who is lawfully evicted

A person is considered to be in unlawful occupancy if he or she:

- ◆ Received from a court of competent jurisdiction an eviction notice prior to the initiation of negotiations or was evicted after the initiation of negotiations for serious or repeated violation of material terms of the lease

**Note:** In either case the eviction is not to have been undertaken to prevent entitlement to The Uniform Act benefits.

- ◆ Is determined by the department to be a squatter who is occupying the real property without the permission of the owner and otherwise has no legal right to occupy the property under state law

**Note:** A squatter who is a long-standing occupant or who would suffer undue or unusual hardship because of the displacement may be considered to be in lawful occupancy. The District Right-of-Way Supervisor is to make this determination.

- One who is determined to be unlawfully present in the United States

A person is unlawfully present if

- ◆ The person fails to certify to the department that he or she is a citizen or national of the United States or is an alien who is lawfully present in the United States
- ◆ The person's certification is found to be invalid

Aliens lawfully present in the United States are to provide the department with sufficient documentation of their residency status.





## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

## 180-Day Owner-Occupant—Eligibility

### ELIGIBILITY:

A displaced person is eligible to receive replacement housing payments as a 180-day owner-occupant if the person:

- A. Has owned and occupied the displacement dwelling or domicile for not less than 180 days immediately prior to the initiation of negotiations
- B. Purchases and occupies a decent, safe, and sanitary replacement dwelling within one year after the later of:
  1. The date the owner receives final payment for the displacement dwelling (in condemnation cases, the date the full estimate of just compensation is deposited with the court)
  2. The date a comparable replacement dwelling is made available to the displaced person

The Cabinet may extend the one-year time period for good cause. Such extension shall be in writing and approved by the Relocation Branch Manager.





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### 90-Day Occupant—Eligibility

#### ELIGIBILITY:

A tenant or owner-occupant displaced from a dwelling or domicile is entitled to a payment not to exceed \$5,250 for rental assistance, in accordance with **RA-545**, or down-payment assistance, in accordance with **RA-546**, if such displaced person:

- Has lawfully and actually occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations; and
- Has rented or purchased and occupied a decent, safe, and sanitary replacement dwelling within one year after:
  - ◆ For a tenant, the date the tenant moves from the displacement dwelling
  - ◆ For an owner-occupant, the later of:
    - The date the displacee receives final payment for the displacement dwelling, (in the case of condemnation, the date the full estimate of just compensation is deposited with the court)
    - The date the displacee moves from the displacement dwelling

The Cabinet may extend the one-year time period for good cause. Such extension shall be in writing and approved by the Relocation Branch Manager.





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### Less-than-90-Day Occupant—Eligibility

#### ELIGIBILITY:

A person who occupies a property less than 90 days before the initiation of negotiations and occupies the property when it is acquired is entitled to moving expenses and advisory services. Any replacement housing paid to these occupants will come under “Last Resort Housing” as outlined in **Chapter 7** of this manual.

To qualify for a replacement housing payment, the displacee must rent or purchase and occupy a decent, safe, and sanitary replacement dwelling within one year after:

- For a tenant, the date the tenant moves from the displacement dwelling
- For an owner-occupant, the later of:
  - ◆ The date the displacee receives final payment for the displacement dwelling, (in the case of condemnation, the date the full estimate of just compensation is deposited with the court)
  - ◆ The date the displacee moves from the displacement dwelling

The Cabinet may extend the one-year time period for good cause. Such extension shall be in writing and approved by the Relocation Branch Manager.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Advisory Services

#### IDENTIFYING NEEDS:

Through a personal interview, the highway district office is to determine the relocation needs and preferences of each displacee within a given project area. The amount and extent of advisory services rendered are to be determined by the needs of the displacee.

Advisory services may be offered to a person occupying property adjacent to the acquired property if the District Right-of-Way Supervisor determines the acquisition causes substantial economic injury.

#### EXPLAINING BENEFITS:

The relocation agent is to explain to each potential nonresidential displacee his or her rights to all right-of-way entitlements that are being offered. This includes providing information on filling out and filing necessary claim forms and explaining the benefits the displacee may qualify for and how to qualify for them, including relocation payments, eligibility requirements, and the procedures for obtaining such assistance. Along with the explanation, the agent is to give a relocation brochure to each potential displacee. Delivery of the brochure alone does not constitute explanation of advisory services.

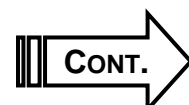
#### DOCUMENTING CONTACTS:

The relocation agent is to maintain a current TC 62-77 form, *Record of Contacts (Exhibit 02)*, documenting the details of all contacts, including telephone conversations, and the services provided to each displacee.

#### SERVICES TO RESIDENTIAL DISPLACEDS:

The District Right of Way Supervisor will maintain a list of services and provide it to residential displacees for their assistance. The address and phone number for the District is also provided. The district is to provide to each residential displacee current and continuing information on the availability, purchase prices, and rental costs of comparable replacement dwellings. The following activities are to be performed for all residential displacees:

- The relocation agent is to explain that the person cannot be required to move until at least one comparable replacement dwelling is made available to the displacee.

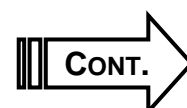


**SERVICES TO  
RESIDENTIAL  
DISPLACEES  
(cont.):**

- The relocation agent is to inform the displacee in writing of the specific comparable replacement dwelling used as a basis to determine the maximum replacement housing payment and the dollar amount of the payment. The comparable replacement housing supplement offer is accompanied with a 90 Day Notice to move. The displacee will then be given a 30-day notice to move after that, or the 30 days may run concurrently with the last 30 days of the 90-day notice. This notice is to be furnished to the tenant at the initiation of negotiations or within 30 days from that date, when practicable, where an alternative procedure is involved. (The right-of-way agent is required to show proof of these three notices in the Right of Way files.)
- The relocation agent should explain the basis of the benefits that are being offered.
- The relocation agent is to inform the displacee that a replacement housing payment is not to be made unless the replacement dwelling is inspected and certified to be decent, safe, and sanitary (see **RA-505**, “Decent, Safe, & Sanitary Housing”).
- Whenever possible, minority persons are to be given reasonable opportunities to relocate to decent, safe, and sanitary replacement dwellings that are outside a minority neighborhood and are within their financial means.
- All residential displacees are to be offered transportation to inspect housing.
- Any displaced person who may be eligible for government housing assistance at the replacement dwelling shall be advised of any requirements of such government housing assistance program that would limit the size of the replacement dwelling (see Section 24.2[a][6][ix] of CFR 49 Part 24), as well as of the long-term nature of such rent subsidy and the limited (42-month) duration of the relocation rental assistance payment.

**COUNSELING:**

Each district is to provide counseling and advice as to other potential sources of assistance—federal, state, and local housing programs (public housing authorities, redevelopment authorities, urban renewal agencies, etc.); social welfare agencies; Small Business Administration programs, etc.





**CONTACT  
WITH OTHER  
AGENCIES:**

Each district is to maintain contact with other federal, state, and local government agencies to determine the extent its present and proposed actions may affect the Cabinet's relocation program and the availability of housing resources.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Waiver of Benefits


#### NO REQUEST BY DEPARTMENT:

The Cabinet will not propose or request that a displaced person waive relocation assistance benefits under The Uniform Act, nor will the department make a waiver from the displaced person a condition of an administrative or legal settlement. After disclosing and explaining all relocation entitlements, the department may inform a displacee of the right to waive relocation assistance benefits if he or she chooses.

#### DISPLACEE REQUESTS TO WAIVE BENEFITS:

If a displaced person requests to waive relocation benefits, the waiver is to be in writing and signed by the displacee. The waiver request is to clearly set out the specific entitlements available to the displaced person under The Uniform Act, including estimated monetary amounts for move costs and applicable replacement housing payments. Any waiver precludes payment of specified relocation assistance benefits.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><b>Section</b></p> <p>COMPARABLE REPLACEMENT HOUSING</p>
	<p><b>Subject</b></p> <p>Criteria</p>

**DEFINITION**

**OF DWELLING:** *Dwelling* means “the place of permanent or customary and usual residence of a person in any residential unit.”

**COMPARABLE  
REPLACEMENT  
DWELLING:**

A comparable replacement dwelling is one that is:

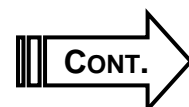
- Decent, safe, and sanitary as defined in **RA-201**, “Definitions”
- Functionally equivalent to the displacement dwelling

**Note:** The term *functionally equivalent* means “capable of performing a similar function, providing similar utility, and contributing to a comparable style of living.”

- Adequate in size to accommodate the occupants

The number of bedrooms in the replacement dwelling is to be the same as that in the acquired dwelling, unless more are needed to meet the following requirements:


- ◆ Children of the opposite sex under age six may occupy the same bedroom.
  - ◆ One child under age two and the parents may occupy the same bedroom.
  - ◆ Except for the cases above, husbands and wives, and couples living together by mutual consent, persons of the opposite sex should not be required to occupy the same bedroom.
- In an area that is not subject to adverse environmental conditions
  - Not in a location generally less desirable with regard to public utilities and commercial and public facilities than that of the displacee's current dwelling



**COMPARABLE  
REPLACEMENT  
DWELLING (cont.):**

- Reasonably accessible to the displacee's place of employment
- On a site typical in size for residential development in the project vicinity with normal site improvements
- Currently available to the displacee
- Within the financial means of the displacee as follows:
  - ◆ **For a 180-day homeowner** (one who was in occupancy for at least 180 days prior to initiation of negotiations), a replacement dwelling is within the owner's financial means if the owner is paid the full price differential in accordance with all increased mortgage interest costs, as outlined/discussed in **Chapter RA-512**; all incidental expenses, as outlined/discussed in **RA-512**; plus any amount required to be paid under "Last-Resort Housing," **Chapter RA-700**.
  - ◆ **For a tenant occupant of 90 days or more** (one who was in occupancy for at least 90 days prior to initiation of negotiations), a replacement dwelling is within the tenant's financial means if, after receipt of a rental payment, the new monthly rent and estimated average monthly utility costs do not exceed the tenant's base monthly rental as described in **RA-512**, "Claims and Payments."
  - ◆ **A tenant or owner-occupant of less than 90 days** (one who was in occupancy for less than 90 days prior to initiation of negotiations or a subsequent occupant) is not eligible to receive a replacement housing payment because of failure to meet the length of occupancy requirements. The displacee, however, is eligible for assistance when comparable replacement rental housing is not available at rental rates within the displacee's financial means. Use the rent-to-rent calculation rule unless the occupant is considered "low income," in which case the 30 percent rule is relied on. Such assistance is to cover a period of 42 months and is to be paid under the provisions of **RA-700**, "Last-Resort Housing." Use 30 percent of monthly household income only when tenants and occupants are considered "low income." Low-income levels for each area are available by referring to the latest HUD-compiled tables. The link for finding "low income" can be found through the FHWA Real Estate Web site at URL <http://www.fhwa.dot.gov/realestate/ua/ualic.htm>



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>COMPARABLE REPLACEMENT HOUSING</p>
	<p><i>Subject</i></p> <p>Availability</p>

**AVAILABILITY OF  
COMPARABLE  
REPLACEMENT  
HOUSING:**

No person to be displaced from a dwelling is required to move until the Department of Highways makes available at least one comparable replacement dwelling.

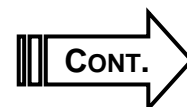
At least three comparable replacement dwellings are to be made available, unless the local housing market does not have three. The file will be documented as such. The use of fewer than three comparables will require FHWA approval on federal-aid projects and will be applied only on a project-by-project basis when it can be demonstrated that a housing shortage exists. An exception to this will be considered in Last Resort Housing applications only. The files must be documented.

The relocation agent is required to inspect the comparable dwelling to certify that it is DSS before making the RHP offer.

**OFFER OF  
COMPARABLE  
REPLACEMENT  
HOUSING:**

A comparable replacement dwelling is considered to have been made available to a person if:

- The person is informed of its location
- The person has time to negotiate and enter into a purchase agreement or lease for the property (90 days)
- The person receives the relocation assistance and acquisition payments to which he or she is entitled, subject to reasonable safeguards, in sufficient time to complete the purchase or lease of the property. This is not a vested amount of relocation entitlement. The displacee must spend at least the amount of the comparable in order to qualify for this offer. If the displacee spends less, the entitlement will be recomputed.



**WAIVER OF  
COMPARABLE  
REPLACEMENT  
HOUSING:**

The policy above may be waived by the Federal Highway Administration (FHWA) on federally funded projects or by the Director of Right of Way and Utilities on nonfederal aid projects if the highway district office demonstrates and documents that a person is to move because of the following:

- A major disaster as defined in Section 102(c) of the Disaster Relief Act of 1974 (42 USC 5121)
- A president-declared national emergency
- Any emergency (highway slide, flood, etc.) that requires immediate vacation of the real property because continued occupancy would constitute a substantial danger to the health or safety of the occupants or the general public

**TEMPORARY  
MOVES:**

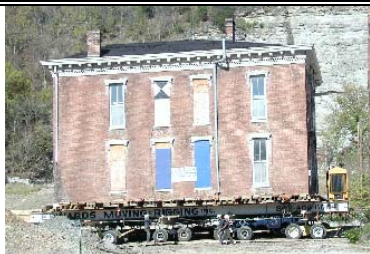
When a person is required to relocate for a temporary period due to circumstances described above, the District ROW Supervisor shall:

- Take steps necessary to assure that the person is temporarily relocated to a decent, safe, and sanitary dwelling
- Pay the actual, reasonable out-of-pocket moving expenses and any reasonable increase in rent and utility costs incurred because of the temporary move
- Make available to the displacee as soon as feasible at least one comparable replacement dwelling

**Note:** This will be done within 30 days from the date of temporary displacement unless no comparable replacement dwellings are actually available. In this case recertification of need should be documented and approved by appropriate agencies.

The date the displacee moves from the temporary dwelling is the date of displacement.





## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

Decent, Safe, & Sanitary Housing

### MINIMUM STANDARDS:

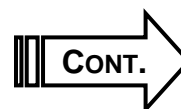
A decent, safe, and sanitary dwelling is one that conforms to all state and local housing and occupancy codes.

At a minimum, the dwelling is to conform to the following standards:

- Be structurally sound, weathertight, and in good repair
- Have an adequate, safe electrical wiring system for lighting and other electrical devices
- Have a functioning heating system capable of sustaining a temperature of 70 degrees Fahrenheit, except in areas where the local climate does not require such a system
- Be adequate in size with respect to the number of rooms and living space area needed to accommodate the displacee

The number of bedrooms in the replacement dwelling is to be the same as that in the acquired dwelling, unless more are needed to meet the following requirements:

- ◆ Children of the opposite sex under age six may occupy the same bedroom.
- ◆ One child under age two and the parents may occupy the same bedroom.
- ◆ Except for the cases above, husbands and wives, and couples living together by mutual consent, persons of the opposite sex should not be required to occupy the same bedroom.
- Have a continuing and adequate supply of safe drinkable water
- Have a separate, well-lighted, and well-ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system



**MINIMUM  
STANDARDS (cont.):**

- Have a kitchen area with a fully usable sink connected to hot and cold water and to an adequate sewage drainage system, with utility service connections and adequate space for installation of a stove and a refrigerator if these items are not required by local codes or ordinances
- Have unobstructed egress to safe, open space at ground level or, if on the second story or above, have access directly from or through a common corridor, which is to have at least two means of egress
- Be free of any barriers that would preclude reasonable ingress, egress, or use of the dwelling by a displacee who is disabled
- Where handicap accommodations are required, they must already be there, or the structure must be adaptable at reasonable costs to the Cabinet.







## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Civil Rights

### AFFIRMATIVE ACTION:

The highway district is to take affirmative action to ensure that replacement housing resources used for purchase or rent are available on the open market to all persons without regard to race, color, religion, sex, or national origin.

### UNFAIR HOUSING COMPLAINTS:

When a displacee registers a complaint about unfair housing practices encountered in efforts to obtain replacement housing, the relocation agent is to:

- Advise the displacee of his or her rights and options and explain that fair-housing rights are protected in accordance with Title VI of the Civil Rights Act of 1968 and the Housing and Urban Development (HUD) Amendment Act of 1974
- Provide the displacee with a copy of the "Fair Housing U.S.A. Brochure" and *HUD Complaint Form 903*, both of which can be obtained from the local Public Housing Authority
- Assist the displacee in obtaining suitable replacement housing

### DOCUMENTING FAIR-HOUSING OFFER:

The relocation agent is to document each appropriate parcel file with facts that each comparable used in computing a replacement housing payment or offered as a housing resource or referral is fair and open housing.

The Right-of-Way Supervisor at the District office must assign the parcels on a project in a sequential order so as not to save low income and minority displacement until last when the "good" housing market may appear to be reduced.

The District Right-of-Way Supervisor needs to review the Environmental documentation for each transportation project to identify any "family clusters" or Environmental Justice impacts that need to be addressed. These types of impacts should be dealt with as early as possible in the right of way delivery.







## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Relocation Notices

#### GENERAL STANDARDS FOR NOTICES:

All notices are to be written in clear, understandable language. Persons who are unable to read and understand the notices are to be provided with appropriate translation and counseling. Each notice is to indicate the name and telephone number of a person who may be contacted for answers to questions or for other needed help.

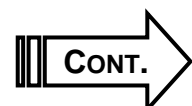
#### DELIVERY OF NOTICES:

Each notice within this section is to be personally delivered unless other special circumstances exist as documented by the relocation agent and approved by the District Right-of-Way Supervisor. When not personally delivered, each notice is to be sent by certified mail, return receipt requested. The file is to be documented with the date and method of delivery, the reason for a non-personal delivery, and a copy of the certified return receipt.

#### INITIATION OF NEGOTIATIONS:

All persons scheduled to move are to be furnished with written information on the relocation program on or before the initiation of negotiations. This information is contained in the relocation brochure and is to be made available at public hearings. Typically, this notice is issued as soon as possible after right-of-way acquisition for the project has been authorized, when worksheet information is being gathered. At that contact the relocation agent is to:

- Give the person a relocation brochure
- Explain to the person that he or she may be displaced by a project
- Generally describe the eligibility conditions and payments for which the potential displacee may be eligible and the procedures for obtaining payment
- Emphasize that the person is to be in occupancy of the property at the initiation of negotiations to remain eligible for benefits



**INITIATION OF  
NEGOTIATIONS (cont.):**

- Inform the potential displacee that he or she:
  - ◆ Is to be given relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other assistance necessary for a successful relocation
  - ◆ Will not be required to move without a minimum of 90 days' written advance notice, which will be given at the time any relocation benefits are offered. The 90-day notice will not be given until at least one comparable dwelling is available on the market.

All displaced persons have the right to appeal the Cabinet's offer of relocation benefits. Explain to the displacees that relocation benefits are not part of the "fair market" offer for the real estate and are not intended to "make up any differences" but are solely for the purpose of facilitating the relocation process with the least amount of disruption to the displacee. Explain the appeal process, **RA-513**.

**NOTICE OF  
ELIGIBILITY:**

All occupants of a property to be acquired are to be notified by the district, in writing, of their eligibility for relocation assistance. The Cabinet typically combines information required in this notice with a 90-day notice to vacate.

An explanation of all services and payments to which the occupant is entitled is to be included with the notice of eligibility. The amounts of such payments may be delivered at a later time.

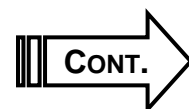
This notice is to include information as to where additional material concerning relocation assistance may be obtained, such as the material maintained and available at the district offices.

For owners, this notice is to be given at the initiation of negotiations.

For tenants who occupied the property for 90 days or more, this notice is to be given no later than 7 working days from the date of initiation of negotiations.

For subsequent occupants (those who do not occupy the property at the initiation of negotiations but are in occupancy at the time the property is acquired), this notice is to be given no later than seven working days from the date the Cabinet obtains possession of the property.

If this notice is delivered by certified mail, the displaced person is to be personally contacted within 30 days from the date of initiation of negotiations.



**NOTICE OF  
ELIGIBILITY  
(cont.):**

When a comparable replacement property is available for a residential displacee, the notice of eligibility is also to include:

- Amount of the maximum entitlements for which the displace may be eligibility
- Identification of the comparable replacement dwelling upon which the amount is based
- Description of the procedures that the displaced person is to follow to maximize the relocation benefits. These are not guaranteed payments. The displacee also needs to be reminded that this is a reimbursement program and not a grant program.
- Information outlined in **RA-504-1** regarding the comparable replacement dwelling upon which benefit eligibility is based. This information is to be made available at the time the notice is delivered.

**NOTICE  
OF INTENT  
TO ACQUIRE:**

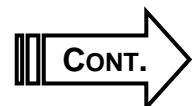
Negotiations would not generally be initiated unless a comparable replacement dwelling is available. However, when an owner has to move due to an emergency, as outlined in **RA-508-2**, or if multiple tenants are being displaced (for example, from an apartment building), it may be necessary to begin negotiations prior to making a comparable replacement dwelling available. In this case the notice of intent to acquire is given and does not include a 90-day notice when a comparable replacement dwelling is not available.

**90-DAY NOTICE:**

The Transportation Cabinet typically combines information required in this notice with a notice of eligibility. However, a 90-day notice cannot be issued until at least one comparable replacement dwelling is made available to a person being displaced.

Each displaced person is to be delivered a 90-day notice that states that the displacee is not required to move for at least 90 days from the date of receipt of the notice. This notice will also state that a 30-Day notice to vacate will be sent, specifying the date by which he or she must move. This 30-day notice may run concurrently with the last 30 days of the 90-day notice, depending upon when the payment for real estate is made or the IOJ is filed and a right of entry obtained.

If the District Right-of-Way Supervisor determines that a 90-day notice is impracticable because continued occupancy would constitute a substantial danger to health or safety, an occupant may be required to move prior to the end of the 90-day period. A written record of this determination, approved by the Director of the Division of Right of Way and Utilities, is to be maintained in the parcel file.



**90-DAY NOTICE****(cont.):**

If a notice of eligibility is delivered to a residential displacee before the department makes available at least one comparable replacement dwelling, the notice is to clearly state that the occupant is not required to move for at least 90 days after comparable replacement housing is made available.

**30-DAY NOTICE:**

Each displaced person is to be delivered a 30-day notice that states the date by which he or she is to move.

The 30-day notice is to be issued to owners and tenants promptly after the Cabinet obtains control of the property being acquired. (Control is obtained when the owner is paid, or payment is posted in court, for the property.)

Any extension of time is to be made in writing and approved by the District Right-of-Way Supervisor.

The district is to issue this notice at least 30 days before the person is to vacate the property. If the Right-of-Way Supervisor or district attorney grants an extension to remain in occupancy, the extended vacation date is to be reflected in the notice to vacate.

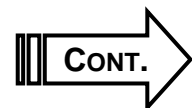
A 30-day notice is not required if an occupant willingly moves prior to the date that the department would have given the notice, this should be so noted in the file.

A 30-day notice is not issued to a person who is not required to move, such as when no property is acquired but the occupant becomes eligible because of land-locking. In such cases, the occupant is to occupy a decent, safe, and sanitary replacement dwelling within one year from the date that payment is made for damages to the property. Landlocked occupants are entitled to the same benefits that all other displacees receive. These benefit programs should be initiated at the time it is determined an offer for damages will be made (Total Take).

**PROCEDURE FOR  
ISSUING NOTICES:**

In unusual cases, an alternative procedure can be used to issue the 90-day and 30-day notices. An example of such a case is as follows:

*An owner does not occupy the property but has several tenant-occupied units. There are not sufficient rental units available to compute the replacement housing payments. In this case, the requirement to make the replacement housing payment offer to the tenants within seven working days could not be met.*



**PROCEDURE FOR  
ISSUING NOTICES****(cont.):**

The Cabinet is to utilize the alternative procedure only in unusual cases. If the district determines it is necessary to utilize the alternative procedure on a parcel, the following guidelines apply:

- The evaluator is to request, in writing, authority to use the alternative procedure, stating circumstances that justify such use.
- The request is to be submitted to the District Right-of-Way Supervisor for approval.
- Consultants wishing to use this procedure are to secure approval from the District Right-of-Way Supervisor.
- The parcel file is to contain appropriate documentation, a copy of which is to be provided to the Relocation Branch Manager.

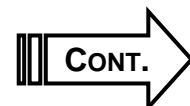
If an alternative procedure is approved, the district is to:

- Contact the owner and make the fair-market-value offer for the property
- Contact the tenants within seven working days and give them a copy of the relocation brochure and a written notice of intent to acquire that includes:
  - ◆ The date of initiation of negotiations for the parcel
  - ◆ An explanation of all services and payments to which the occupant is entitled, although the amount of such payments may be delivered at a later time
  - ◆ Information as to where additional information concerning relocation assistance may be obtained

This notice is to be made prior to issuing a 90-day notice. If this notice is delivered by certified mail, the displaced person is to be personally contacted within 30 days from the date of initiation of negotiations.

When the replacement housing payment is computed and a written offer is being given to the tenant, the notice of eligibility is given to inform the tenant that he or she will receive an additional written notice, 30-day notice, at least 30 days in advance, specifying the date by which he or she is to move

The notice of eligibility, which identifies the potential entitlements, must also contain the 90-day notice, which states the tenant is not required to move before at least 90 days have elapsed from the date of receipt of the notice




**PROCEDURE FOR  
ISSUING NOTICES****(cont.):**

When issuing a 30-day notice to vacate, use the procedure for normal displacements as outlined in this section. A 30-day notice is not required if an occupant willingly moves prior to the date the department would have given the notice.





 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>REPLACEMENT-HOUSING PAYMENTS</p>
	<p><i>Subject</i></p> <p>Claims &amp; Payments</p>

**TIME FOR FILING:** The following conditions apply:

- For tenants, all claims for relocation payments are to be made within 18 months from the date of displacement.
- For owners, all claims for relocation payments are to be made within 18 months from the date of displacement or from the date of final payment for the acquisition of the real property, whichever is later.
- This time period may be waived for good cause. Such waiver is to be in writing and approved by the Relocation Branch Manager.

**DOCUMENTATION  
FOR PAYMENT  
OF CLAIMS:**

Each relocation payment claim is to be accompanied by complete documentation supporting the expenses incurred, such as bills, receipts, and appraisals. The Relocation Agent is to ensure that each displaced person receives all reasonable assistance necessary to complete and file any required claim for payment.

**REVIEW OF  
CLAIMS:**

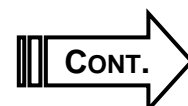
The relocation agent is to review claims expeditiously and notify the claimant promptly if additional documentation is required. Payment for a claim is to be made as soon as feasible following receipt of sufficient documentation to support the claim, provided eligibility requirements have been met.

- If any additional documentation is needed to support a claim, the relocation agent is to notify the claimant promptly.
- The relocation agent is to submit approved payment packages to the Central Office within five calendar days from the date the District Right-of-Way Supervisor approves the claim.

**ADVANCE  
PAYMENTS:**

Advance payments may be made under the following conditions:

- The displacee must demonstrate the need for an advance payment in order to avoid or reduce a hardship



**ADVANCE  
PAYMENTS (cont.):**

- The District Right-of-Way Supervisor is to approve an advance payment and include in the file supportive documentation for this decision.
- Payment is to be made by direct or joint application for the displacee's need, and the relocation agent must document verification of the payment toward the relocation move.

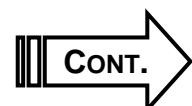
**INCIDENTAL  
RELOCATION  
EXPENSES:**

The incidental expenses that may be paid are those necessary and reasonable costs actually incurred by the displaced person incidental to the purchase of a replacement dwelling and customarily paid by the buyer.

The type of incidental expenses eligible for payment shall include:

- Legal, closing, and related costs, including those for title search, preparing conveyance instruments, notary fees, preparing surveys and plats, and recording fees
- Lender, Federal Housing Administration, or Veterans' Administration application and appraisal fees
- Loan origination or assumption fees that do not represent prepaid interest
- Certification of structural soundness and termite inspection when required
- Credit report
- Owner's and mortgagee's evidence of title, e.g., title insurance, not to exceed the costs for preparation of title insurance of a comparable replacement dwelling
- Escrow agent's fee
- State revenue or documentary stamps, sales on transfer taxes (not to exceed the costs for a comparable replacement dwelling)
- Other costs as determined by the Transportation Cabinet to be incidental to the purchase

An owner-occupant of 180 days or more who has a mortgage on the dwelling acquired and who places a mortgage on his replacement dwelling shall be reimbursed for the necessary and reasonable incidental expenses incurred when obtaining a mortgage on his or her replacement dwelling.



**INCIDENTAL  
RELOCATION**

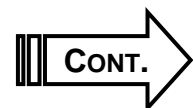
**EXPENSES (cont.):** An owner-occupant of 180 days or more who has no mortgage on the acquired dwelling but who places a mortgage on the replacement dwelling shall not be reimbursed for the incidental expenses of obtaining a loan.

An owner-occupant of less than 180 days, or a tenant-occupant of more than 90 days, who chooses to purchase a replacement dwelling may be reimbursed for eligible incidental expenses if they are included in the down payment. However, the total of the down payment and incidental expenses is limited to a maximum of \$5,250.

**INCREASED INTEREST****PAYMENTS:**

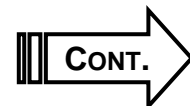
Increased interest payments are provided to compensate a displaced person for the increased interest costs required to pay for financing a replacement dwelling.

1. Increased interest payment eligibility is based on the following:
  - a. The increased interest payment shall be allowed only when the dwelling acquired by the Transportation Cabinet was encumbered by a mortgage that was made in good faith without fraud or deceit and which was a valid lien on the dwelling for not less than 180 days prior to initiation of negotiations for the acquisition of the real property, in whole or in part, or at the time a written notice is given of the Transportation Cabinet's intent to acquire the property and the displaced person obtains a mortgage on a replacement dwelling at a higher interest rate than the mortgage rate on the dwelling acquired by the Transportation Cabinet.
  - b. All mortgages on the dwelling acquired by the Transportation Cabinet shall be considered in computing the increased interest cost portion of the replacement housing payment.
  - c. In the case of a home equity loan, the unpaid balance shall be that balance that existed 180 days prior to the initiation of negotiations or the balance on the date of acquisition, whichever is less.
2. In determining the amount of the increased interest payment, the computation shall be based on the monthly payment of the old mortgage; the remaining term of the old mortgage or term of the new mortgage, whichever is shorter; and the old and new interest rates. Most increased interest payments shall also be based on the unpaid mortgage balance on the displacement dwelling. However, if the new mortgage amount is less, the payment shall be reduced accordingly.



**INCREASED INTEREST  
PAYMENTS (cont.):**

3. Documentation of the terms, amount, and interest rate for the existing and new mortgages shall be submitted on a form prescribed and furnished by the Transportation Cabinet. This form shall be completed for the existing and new mortgages and signed by a representative of the lending agency. When a loan is included in a land contract, a copy of the contract may be used for documentation.
4. Payment for purchaser's points, loan origination fees, or assumption fees—but not seller's points—shall be paid to the extent that:
  - a. They are not paid as incidental expenses
  - b. They do not exceed rates normal to real estate transactions in the area
  - c. They are determined to be necessary
  - d. The points and fees are based on the unpaid mortgage balance on the displacement dwelling, less the amount of the mortgage payment computed in this section
5. To document these charges in subsection 4 of this section, the Transportation Cabinet shall be provided a copy of the lending agency's closing statement.
6. The interest rate on the mortgage for the replacement dwelling to be used in the computation shall be the actual interest rate but shall not exceed the prevailing fixed interest rate currently charged by mortgage lending institutions in the area in which the replacement dwelling is located.
7. Increased interest payments normally shall be made directly to the displaced person. However, upon written request from the displaced person, the payment may be made directly to the mortgagee of the replacement dwelling or may be paid into escrow prior to the displaced person's moving.
8. The procedure for computing the effects of increased interest payments on a partial acquisition is as follows:
  - a. If the dwelling acquired is located on a tract normal for residential use in the area and only a portion of the tract is acquired by the Transportation Cabinet, the mortgage balance shall be reduced by the percentage ratio the acquisition price bears to the before value of the total tract. The reduction shall not apply when the mortgagee requires the entire mortgage balance to be paid because of the acquisition and it is necessary to refinance.

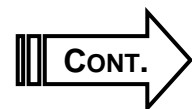


**INCREASED INTEREST  
PAYMENTS (cont.):**

- b. If a dwelling is located on a tract larger than normal for residential use in the area and only a portion of the tract is acquired by the Transportation Cabinet, the total mortgage balance shall be reduced to the percentage ratio that the value of the residential portion bears to the before value. This reduction shall apply whether or not it is required that the entire mortgage balance be paid.
9. The interest payment on multiuse properties shall be reduced to the percentage ratio the residential value of the multiuse property bears to the before value.
10. When computing increased interest payments for properties with different highest and best use, the procedure is as follows:
  - a. If a dwelling is located on a tract where the fair market value is established on a higher-and-better-than-residential use, and if the mortgage is based on residential value, the interest payment shall be computed as shown in subsection 8b of this section.
  - b. If the mortgage interest rate is obviously based on the higher use, the interest payment shall be reduced to the percentage ratio that the estimated residential value of the parcel has to the before value of the parcel.

**RENTAL PAYMENTS:**

1. A tenant or owner-occupant displaced from a dwelling is entitled to a payment not to exceed \$5,250 for rental assistance, if the displaced person:
  - a. Actually and lawfully occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations; and
  - b. Has rented or purchased and occupied a decent, safe, and sanitary replacement dwelling within one year after the date he or she moves from the displacement dwelling if the displacee is a tenant; or
  - c. In the case of an owner-occupant, has rented or purchased and occupied a decent, safe, and sanitary dwelling within one year of the later of the date he or she received final payment for the displacement dwelling, or, in the case of condemnation, the date the full amount of the estimate of just compensation is deposited with the court, or the date he or she moved from the displacement dwelling.



**RENTAL PAYMENTS****(cont.):**

2. The base monthly rental for the displacement dwelling shall be the least of the three computations below:

- a. The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement using either actual or fair market rent

For a tenant who paid little or no rent for the displacement dwelling, fair market rent shall be used unless it would result in a hardship due to the tenant's personal income or other circumstances.

- b. Thirty percent of the person's average monthly gross household income

If a person refuses to provide evidence of income or is a dependent, the base monthly rent shall be the average monthly cost for rent or utilities. A full-time student or resident of an institution may be assumed to be a dependent unless the person demonstrates otherwise.

- c. The total of the amount designated for shelter and utilities if receiving a welfare assistance payment from a program that designates the amount for shelter and utilities

The base monthly rental shall include any rent supplement supplied by others unless the supplement is to be discontinued upon vacation of the property.

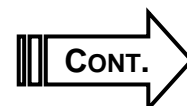
3. The procedure to be followed in computing rental assistance payments is as follows:

- a. Determine the lesser of the following:

- The amount the displaced person actually pays for a rental replacement dwelling including the estimated average monthly utilities
- The amount determined by the Transportation Cabinet as necessary to rent a comparable dwelling including the estimated average monthly utilities

The Transportation Cabinet shall subtract the base monthly rent of the acquired dwelling as determined in subsection 2 of this section.

- b. Then the Cabinet shall multiply that amount by 42 to determine the actual payment.

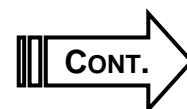


**RENTAL PAYMENTS****(cont.):**

- c. For owner-occupants the Cabinet shall use the actual or fair market rent instead of the base monthly rent when computing the payment amount.
  - d. In determining the amount necessary to rent a comparable dwelling, the Transportation Cabinet shall examine, if available, three comparable rental properties.
  - e. Only when the local housing market does not contain three comparable rental properties may the Transportation Cabinet determine the payment based on fewer than three.
4. The disbursement of rental replacement housing payments may be in a lump sum payment or in installments. The full amount vests immediately, whether or not there is any later change in the person's income or rent, or in the condition or location of the person's housing.

**DOWN-PAYMENT  
ASSISTANCE:**

- 1. Down-payment assistance may be given to a tenant-occupant of 90 days or more who purchases a replacement dwelling.
- 2. The following conditions apply to down-payment assistance payments:
  - a. A displaced person eligible for rental replacement housing payment under Section 24 of the administrative regulation may receive a down-payment assistance payment not to exceed \$5,250.
  - b. In order to receive this payment, the full amount of the payment shall be applied toward the purchase price of the replacement dwelling and related incidental expenses.
  - c. If the rental assistance payment computed under Section 24 of the administrative regulation would be zero dollars, the displaced person is entitled to receive the \$5,250 for a down payment.
- 3. A displaced person eligible to receive a replacement housing payment as a 180-day-or-more owner-occupant is not eligible for this payment.



**PAYMENT CLAIMS  
FOR MULTIPLE  
OCCUPANCY:**

The following conditions apply to the determination of payment claims for multiple occupancy:

- Two or more eligible occupants who are not related by blood or legal ties, who live together by mutual consent, and who maintain a separate household within a dwelling unit are considered to be one family. If they move to separate replacement dwellings, each eligible occupant is to receive a prorated share of the total allowable relocation payments.
- If two or more eligible families maintain separate households within the displacement dwelling, each eligible family is entitled to individual relocation payments.
  - ◆ The replacement housing payment is based upon housing comparable to the quarters privately occupied by each family plus shared community rooms.
  - ◆ The district may determine that separate households are maintained when:
    - Each family has separate baths, kitchen areas, bedrooms, etc.
    - A person rents a sleeping room within a dwelling

**CONVERSION  
OF PAYMENT:**

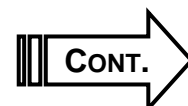
A displacee who initially rents a replacement dwelling and receives a rental assistance payment is eligible to convert his entitlement toward the purchase or down-payment assistance supplement if eligibility criteria for such payments are met including purchase and occupancy within the prescribed one-year period. The Cabinet participation in this case is limited to no more than the amount of the original rental replacement offer.

Any portion of the rental assistance payment that has been disbursed to the displacee is to be deducted from the payment.

**DEDUCTIONS FROM  
PAYMENTS:**

The following conditions apply to deductions from relocation payments:

- The Cabinet is to deduct the amount of any advance relocation payments from the total relocation payment to which a displacee is entitled.





**DEDUCTIONS FROM  
PAYMENTS (cont.):**

- The District Right-of-Way Supervisor may deduct from the replacement housing payment the rent the displacee owes the Cabinet, unless the deduction would prevent the displacee from obtaining comparable replacement housing. The file is to contain supporting documentation, a copy of which is to be provided to the Relocation Branch Manager.
- No portion of a relocation payment may be withheld by the Cabinet to make payment to any other creditor.

**RELOCATION  
PAYMENTS  
NOT INCOME:**

Relocation payments for displaced persons are not considered income for the purpose of:

- The Internal Revenue Code of 1954
- Determining the eligibility or extent of eligibility of any person for assistance under the Social Security Act or any other law, except for any federal law providing low-income housing assistance

**PAYMENT  
AFTER DEATH:**

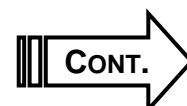
A replacement housing payment is personal to the displaced person. Upon the death of a displacee, the Cabinet is not to pay the undisbursed portion of any such payment to the heirs or assigns until the Cabinet has satisfied the following criteria:

- Pay the amount attributable to a displaced tenant's period of actual occupancy of the replacement dwelling
- Make payment in full when a member of a displaced family dies and other family members continue to occupy a decent, safe, and sanitary replacement dwelling
- Pay any portion of a replacement housing payment for eligible expenses incurred with the selection of a replacement dwelling when such payment is necessary to satisfy the legal obligation of an estate. Payment is to be disbursed to the estate.

**PAYMENT  
DISBURSEMENT:**

Payments are to be made directly to eligible displacees, unless a displacee requests, in writing, that payment be made in some other manner (jointly to displacee and another party; only to another party, such as a mover, landlord, or seller of home; into escrow; etc.).

The written request from the displacee is to accompany the claim for payment. Under relocation procedures no person is to receive any payment that duplicates all or part of a payment received for the same purpose under federal, state, or local law.



**PAYMENT  
DISBURSEMENT  
(cont.):**

In the event of a catastrophic occurrence, and to avoid duplicate compensation, the department is to include in the acquisition price of the displacement dwelling the amount of any insurance proceeds a displaced person receives for loss to the displacement dwelling due to a catastrophic occurrence (fire, flood, tornado, etc.) when computing eligibility for a price differential.

The person who computes the payment, estimates the move cost, or assembles the invoices is the one who:

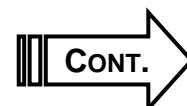
- Submits the package for approval
- Delivers the check, provided an authorized department employee previously approved the work

**Note:** The person who approves a computed payment or move-cost estimate may not deliver the check.

**ADMINISTRATIVE  
OR LEGAL  
SETTLEMENTS:**

If relocation assistance benefits available under The Uniform Act are included in a settlement, each amount paid is to be supported and documented. All eligibility requirements are to be met in accordance with The Uniform Act; 49 CFR, Part 24; 600 KAR 3:010; and the Cabinet's *Relocation Assistance Guidance Manual* as follows:

- A payment for move costs may be made based upon an approved moving-expense estimate. Payment is to be supported with appropriate inventories, estimates, or other documentation necessary to determine that payment is reasonable. In the case of a nonresidential fixed payment in lieu of move costs, a displaced business is to furnish signed copies of income tax returns, and a nonprofit organization is to supply certified financial statements.
- The inclusion of a replacement housing payment in a settlement requires either the purchase and occupancy or the rental and occupancy of replacement housing by the displaced person.
- In the case of an administrative settlement, it is recommended that the amount of the move costs or replacement-housing payment be stated on the purchase agreement as a holdback and that the check for the payment be delivered when the displaced person has complied with the necessary requirements. In the case of a legal settlement, the final judgment is to indicate that specified relocation benefits are to be paid when necessary conditions have been met.



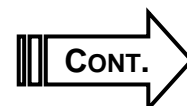
**ADMINISTRATIVE  
OR LEGAL  
SETTLEMENTS (cont.):**

- It is recommended that a statement regarding advisory services be made an essential and integral part of all administrative settlements that include relocation entitlements. The statement is to incorporate information about the availability of personnel to provide the advisory services throughout the relocation process. A suggested text to include in the purchase agreement is as follows:

*The department and the seller-displacee understand that the inclusion of relocation benefits as a part of this administrative settlement does not preclude seller-displacee's right to advisory services related to the relocation from the project site. The department invites and encourages the seller to take full advantage of the opportunity to use these services provided by relocation personnel.*

If the district recommends that an administrative or legal settlement include relocation assistance benefits prior to the displaced person's complying with specified entitlement requirements, the Director of Right of Way and Utilities is to grant an exemption to the provisions of the *Relocation Assistance Guidance Manual* prior to approval of the settlement. An agreement to pay benefits prior to compliance with standard requirements is to be a rare exception to the provisions of this manual. The exemption requirements are as follows:

- The District Right-of-Way Supervisor is to submit, in writing, to the director a request for the exemption, stating the specific circumstances that dictate the exemption and demonstrating the reason an exemption is in the best interests of the department. The director is to promptly review the request and render a decision. If there are time restrictions on the proposed settlement, review is to be expedited to the greatest extent possible in order to accommodate the settlement time frame.
- For projects that include federal funding in any phase, the director is to review the supervisor's written request for exemption and render a decision. If the director approves the exemption, it is to be submitted to the Federal Highway Administration (FHWA) for approval. Every effort is to be made to obtain a timely response from FHWA.
- For projects with no federal funding in any phase, the director is to review the request and render a decision.



**DENIAL OF CLAIM:**

Prior to denial of all or part of any claim, the district is to make personal contact with the displacee to provide an explanation of the denial. At the discretion of the District Right-of-Way Supervisor, such contact may be made by certified mail. The parcel file is to be documented as to the circumstances upon which the decision to use certified mail was made. The department may disapprove all or part of a claim or may refuse to consider a claim because of untimely filing or other grounds permitted in the *Relocation Assistance Guidance Manual*.

Payment limitations prescribed in The Uniform Act and 49 CFR, Part 24, that have a statutory and/or regulatory maximum payment amount (such as reestablishment expenses, search expenses, and the maximum in-lieu-of payment) are not eligible for reconsideration or appeal.

If a person objects to an eligibility or payment determination, or if all or part of a claim is denied, the relocation agent must promptly notify the claimant in writing of the basis for the determination and the procedures to request reconsideration.

This notice is to be delivered in person or sent by certified mail, return receipt requested.

The notice is to state that the person can request reconsideration of the determination to the District Right-of-Way Supervisor within 60 calendar days from the date the aggrieved person receives written notice from the relocation agent.

**RECONSIDERATION OF CLAIM****DENIAL:**

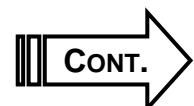
Any person may file a written request for reconsideration in any case in which he or she believes the department has failed to properly determine eligibility for or the amount of a relocation payment. The request for reconsideration is to be considered without regard to its form.

The relocation agent is to provide assistance as needed in completing a request for reconsideration and is to explain the process to the displacee or aggrieved person.

A written request for reconsideration may be filed with the District Right-of-Way Supervisor, who will conduct an administrative review of the case.

The request for reconsideration is to be filed with the supervisor in whose district the project is located, not later than 60 calendar days from the date the aggrieved person receives written notice from the relocation agent that the claim has been denied. Failure to submit a written request within this time may result in a denial of the claim.

**DISTRICT REVIEW:** All information and justifications submitted by the displacee or aggrieved person are to be considered. The District Right-of-Way Supervisor may personally contact the displacee.



**DISTRICT REVIEW****(cont.):**

The supervisor is to promptly notify the displacee of the results of the reconsideration. The written notice is to be delivered in person or sent by certified mail, return receipt requested.

If the supervisor denies the claim, he or she is to advise the aggrieved person that the Relocation Branch Manager will review the determination. The supervisor is to promptly forward a written request for an administrative review to the Relocation Branch Manager.

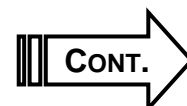
All documentation used as a basis for the supervisor's decision and any information requested by the Relocation Branch Manager is to be promptly sent to the Central Office, including:

- A statement of the issue under review
- Citations of applicable provisions upon which the district's determination was based
- Three complete copies of the displacee's relocation file, including copies of all related materials
- A statement of any extenuating circumstances pertinent to the district's actions
- A recommendation for administrative action

**CENTRAL OFFICE  
REVIEW:**

After review of all pertinent information, the following applies:

- If the Relocation Branch Manager finds in favor of the aggrieved person, the Director of Right of Way and Utilities is to review the appeal.
- If the director concurs with the Relocation Branch Manager, the manager is to notify the district supervisor of this determination, and the district is to provide the necessary claim forms and assistance to process the claim.
- If the branch manager concurs with the district's determination, then he or she is to notify the aggrieved person of the right to appeal the department's determination:
  - ◆ The notice is to include an explanation of the basis on which the decision was made, referencing the specific procedures and rules under which the claim was denied when such is the case.
  - ◆ The notice is to be made by certified mail, return receipt requested.




**CENTRAL OFFICE  
REVIEW (cont.):**

- ◆ The notice is to state that a request for a hearing is to be made no later than 60 calendar days from the date the aggrieved person receives written notice from the Relocation Branch Manager that the claim has been denied.

The request for a hearing is to be sent to:

Division of Right of Way and Utilities  
Attention: Relocation Branch Manager  
Transportation Cabinet Office Building  
E5-18-01  
200 Mero Street  
Frankfort, Kentucky 40622



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>REPLACEMENT-HOUSING PAYMENTS</p>
	<p><i>Subject</i></p> <p>Appeal Process</p>

**WHO MAY FILE  
AN APPEAL:**

Any person may file a written appeal with the Department of Highways if he or she believes the department has failed to properly determine eligibility for or the amount of a relocation payment. The appeal is to be considered without regard to its form.

The department is to provide assistance as needed in completing the appeal and is to explain the appeal process to the displacee or aggrieved person.

All information and justifications submitted by the aggrieved person are to be considered. Officials reviewing the department's determination may personally contact the displacee.

A person has a right to legal or other representation in connection with the appeal but solely at his or her expense.

Before accepting an appeal, the department is to provide a two-level administrative review as outlined in **RA-309**, "Reconsideration of Claim Denial."

**WHAT CANNOT  
BE APPEALED:**

As prescribed in The Uniform Act and 49 CFR, Part 24, which have a statutory or regulatory maximum payment amount, payment limitations (such as reestablishment expenses, search expenses, and the maximum in-lieu-of payment) are not appealable.

**INSPECTION  
OF FILES:**

Persons who appeal are to be permitted, during regular office hours, to inspect and photocopy all nonconfidential materials that are pertinent to the appeal. Note the following:

- The Transportation Cabinet may impose reasonable conditions on the person's right to inspect.
- The district attorney is to be consulted to determine which materials can be made available to the aggrieved person.



**WHEN TO FILE  
AN APPEAL:**

An appeal is to be filed no later than 60 calendar days from the date the aggrieved person receives written notice from the Relocation Branch Manager that the claim has been denied. Failure to submit an appeal within this time may result in a denial of the claim. The appeal is to be in writing and directed to:

Division of Right of Way and Utilities  
Attention: Relocation Branch Manager  
Transportation Cabinet Office Building  
E5-18-01  
200 Mero Street  
Frankfort, KY 40622

Promptly after receiving a timely appeal, the Relocation Branch Manager, by memo to the Cabinet's Director of Legal Services, is to request a hearing. All documentation used as a basis for the department's determination is to accompany the request.

**HEARING  
PROCESS:**

A hearing officer approved by the Office of the Attorney General is to conduct a hearing, pursuant to KRS 13B, to determine the merits of the appeal. The Cabinet is to make a record of evidence introduced at the hearing.

The hearing officer is to make findings of fact and conclusions of law and is to issue a recommended order to the Transportation Cabinet Secretary, who may:

- Accept the recommended order and adopt it as the Cabinet's final order
- Reject or modify, in whole or in part, the recommended order
- Remand the matter, in whole or in part, to the hearing officer for further proceedings as appropriate

**FINAL  
ORDER:**

The Cabinet Secretary is to issue the final order within 90 days of receiving the recommended order from the hearing officer, unless the Secretary remands the matter for further proceedings.

If different from the hearing officer's recommended order, the Cabinet's final order is to include separate statements of findings of facts and conclusions of law.

If full relief requested is not granted, the Cabinet is to advise the aggrieved person of his or her right to seek judicial review pursuant to KRS 13B.140 and KRS 13B.150.







## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

## Person Not Lawfully Present in the United States

**REQUIREMENTS:** All displaced persons must certify that they are lawfully present in the United States. The Relocation Agent will request that the head of the household certify as to the residency status of all members of the household when worksheet information is gathered. The Relocation Agent will provide a Relocation Assistance Brochure and a relocation certification to the displacee and explain that failure to provide the required information will result in a denial of relocation benefits. When gathering worksheet data, the Relocation Agent will determine if the information contained in a certification is invalid, which will result in a denial of relocation assistance benefits and payments.

### DENIAL OF BENEFITS:

Replacement housing benefits will be denied when:

- The head of a household fails to certify as to the residency status of all members of the household, or the district determines that the person's certification is invalid
- The Cabinet determines that denial would not result in exceptional and extremely unusual hardship

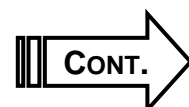
The district must be satisfied that the failure to certify constitutes a refusal or inability to certify and is not merely an oversight, misunderstanding, or other mistake.

### BASES FOR DETERMINATION:

In determining the validity of a person's certification, the district must conduct a fair and nondiscriminatory review of an alien's documentation or other information considered to be reliable and appropriate. For persons claiming to be lawfully present aliens, review by the Immigration and Naturalization Service (INS) may be necessary.

The determination of an invalid certification should be based on the District Right-of-Way Supervisor's judgment, relying on:

- KYTC staff contacts with the displaced person
- Knowledge of the affected geographic area



**BASES FOR  
DETERMINATION:**

- Contacts with neighbors and neighborhood institutions
- Other factors that may apply to the specific situation

In determining what constitutes an exceptional and extremely unusual hardship, the district should focus on significant and demonstrable impacts on health, safety, or family cohesion. The district may examine only the impact on an alien's spouse, parent, or child who is a citizen or lawful resident alien. The standard of hardship involves more than the loss of relocation payments and/or benefits alone.

**COMPUTATION  
OF PAYMENT:**

In computing a replacement housing payment, the unlawful occupants are not counted as part of the family, and its size is reduced accordingly. Thus, a family of five, one of whom is not lawfully present in the U.S., would be counted as a family of four. The comparable for the family would reflect the makeup of the remaining four persons, and the replacement housing payment would be computed accordingly.

The income of a person unlawfully present in the U.S. is counted in the household's gross monthly income, unless the district is certain the ineligible person will not continue to reside with the family. To exclude the ineligible person's income would result in a windfall by providing a higher relocation payment because the family member was not lawfully present in the U.S.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Occupancy Status—Change

#### POLICY:

A displacee is not required to relocate to the same occupancy status, owner or tenant, he or she had prior to displacement, and may choose alternate occupancy status, so long as the displacee is eligible.

The replacement housing payment may not exceed the maximum amount that would have been paid had the displacee remained in the same occupancy status. The replacement housing supplement is computed on the original type occupancy.

The actual replacement housing supplement is the amount actually spent at or under this limit, as this is a reimbursement program.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

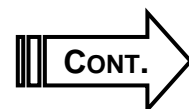
### Subject

Multiple Occupancy

### CONDITIONS FOR MULTIPLE OCCUPANCY:

The following conditions apply to the determination of multiple occupancy:

- Two or more eligible occupants who are not related by blood or legal ties and who live together by mutual consent are considered to be one family. If they move to separate replacement dwellings, payment will be as follows:
  - ◆ If a comparable replacement dwelling is available and the displacees elect to relocate separately, each displacee is entitled to a prorated share of the singular relocation payment(s) allowable had they moved together to a single dwelling.
  - ◆ If a comparable replacement dwelling is not available and the displacees are required to relocate separately, a replacement housing payment will be computed for each person separately, based on housing that is comparable to the quarters privately occupied by each individual plus community rooms shared with other occupants.
- If two or more eligible families occupy a single-family dwelling unit and a comparable replacement dwelling is available, the occupants are entitled to only one replacement housing or rent supplement payment.
- If two or more eligible families occupy a single-family dwelling unit and a comparable replacement dwelling is not available, or the district determines that the families maintain separate households within the displacement dwelling, each eligible family is entitled to a replacement housing or rent supplement payment.
  - ◆ The replacement housing or rent supplement payment will be based on housing comparable to the quarters privately occupied by each family plus community rooms shared with other occupants.



**CONDITIONS FOR  
MULTIPLE  
OCCUPANCY (cont.):**

- ◆ The district may determine that separate households are maintained when:
  - Each family has separate baths, kitchen areas, bedrooms, etc.
  - A person rents a sleeping room within a dwelling

For owner-occupants, the acquisition price to be used as the basis for the replacement housing payment is that amount each owner receives from the total payment for the acquired property.





## RELOCATION ASSISTANCE

*Chapter*

### REPLACEMENT-HOUSING PAYMENTS

*Subject*

### Occupancy Requirements for Dwellings

**POLICY:**

No person shall be denied eligibility for a replacement housing payment solely because the person is unable to meet the occupancy requirements set forth in these procedures for a reason beyond his or her control, including:

- A disaster, an emergency, or an imminent threat to the public health or welfare, as determined by the President, the federal agency funding the project, or the department
- A delay in the construction of the replacement dwelling, military reserve duty, or prolonged hospital stay, as recommended by the Right-of-Way Supervisor and approved by the Relocation Branch Manager





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Owner of a Dwelling

### POLICY:

A person is considered to have met requirements to own a dwelling when he or she purchases or holds any of the following interest in real property:

- Fee title, a life estate, a 99-year lease, or a lease including any options for extension with at least 50 years to run from the date of acquisition
- An interest in a cooperative housing project that includes the right to occupy a dwelling
- A contract to purchase any of the interests or estates described above
- Any other interest, including partial interest, that the department determines is sufficient to warrant consideration as ownership Relocation benefits based on a displacee's partial interest ownership must have prior approval of the Relocation Branch Manager.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Partial Ownership

#### POLICY:

When a single-family dwelling is owned by several persons but not occupied by all of the owners, the purchase supplement payment for the displaced owner-occupants is the lesser of the difference between the total acquisition price of the acquired dwelling and:

- The amount determined by the district as necessary to purchase a comparable replacement dwelling
- The actual cost of the owner-occupant's replacement dwelling

Non-occupant owners should be encouraged to reinvest their share of the acquisition price in a replacement dwelling to ensure the owner-occupant(s) can purchase a replacement dwelling comparable to the one from which they are being displaced.

To receive the entire purchase supplement payment, the owner-occupant must purchase and occupy a replacement dwelling for an amount equal to his or her share of the acquisition payment for the acquired dwelling plus the amount of the purchase supplement payment as calculated above.

The displaced owner-occupant(s) may choose a rent supplement payment instead of a purchase supplement. The rent supplement will be based on the district's determination of the fair market/economic rent of the acquired dwelling and will be computed as outlined in **RA-545**.







## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### Cost of Comparable Replacement Dwelling

#### POLICY:

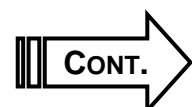
The upper limit of a replacement housing payment will be based on the cost of a comparable replacement dwelling.

When computing a replacement housing payment, unlawful occupants are not counted as part of the family, and the family size is reduced accordingly. Thus, a family of five, one of whom is not lawfully present in the U.S., would be counted as a family of four. The comparable for the family would reflect the makeup of the remaining four persons, and the replacement housing payment would be computed accordingly, with appropriate explanation in the computation.

The income of a person unlawfully present in the United States is counted in the household's gross monthly income, unless the district is certain the ineligible person will not continue to reside with the family. To exclude the ineligible person's income would result in a windfall by providing a higher relocation payment because the family member was not lawfully present in the United States. The computation must include appropriate explanation.

The evaluator will analyze at least three comparable replacement dwellings for each replacement housing payment computed, using the one most equal to or better than the displacement dwelling to compute the payment. The dwellings analyzed must be available on the open market at the time the offer is made. The evaluator should call and confirm the comparables are still available just before his presentation. The following conditions apply:

- A. Fewer than three dwellings may be analyzed when additional comparable dwellings are not available. The computation must contain an explanation as to why fewer than three dwellings are being used. This can only be done on a project or area basis with prior approval of FHWA for Interstate and National Highway system roads.
- B. Comparable replacement dwellings should be selected from the neighborhood in which the displacement dwelling is located. If that is not possible, nearby or similar neighborhoods where housing costs are generally the same or higher will be used.



**POLICY (cont.):**

- C. Selection of comparables and computation of payment shall be made by a qualified person. The parcel's Appraiser or Review Appraiser cannot compute the occupant's replacement housing or rent supplement payment or make the offers.
- D. When a dwelling is overpriced in relation to other comparables, it should not be used in the computation.
- E. If the comparable replacement dwelling relied upon is similar to but lacks major exterior attributes of the displacement dwelling (such as a significantly larger lot, a detached garage, pool, outbuilding, or tennis court), the value of such attribute will not be included in subject's acquisition price for purposes of computing a purchase supplement payment.
  - 1. A major exterior attribute is any appurtenant structure of substantial value that is exterior to the residential dwelling, or an aesthetically valuable view, or a valuable location, that contributes to the value of the property and to the quality or standard of living of the displacee.
  - 2. The following guidelines are to be used in determining whether the attribute's value is to be deducted from subject's acquisition price.
    - a. The attribute must be currently in use by and part of the lifestyle of the displaced residential owner-occupant.
    - b. The displaced residential owner-occupant must use the attribute solely for personal, noncommercial, nonprofit purposes.
    - c. The attribute should have a contributory value of \$1,000 or more.
    - d. Sheds and similar outbuildings are not typically considered to be a major attribute.
  - 3. The value of major exterior attributes as determined in the approved appraisal will be subtracted from the acquisition cost of the displacement dwelling, when the comparable relied upon for computation purposes is functionally similar to the displacement dwelling but lacks major exterior attributes that follow the above guidelines.



**POLICY (cont.):** A comparable replacement dwelling will be considered to have been made available to a person if all of the following conditions are met:

- A. The person is informed of its location
- B. The person has sufficient time to negotiate and enter into a purchase agreement or lease for the property
- C. Subject to reasonable safeguards, the person is assured of receiving the relocation assistance and acquisition payment to which the person is entitled in sufficient time to complete the purchase or lease of the property





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Major Exterior Attribute

### POLICY:

When the comparable relied upon lacks a major exterior attribute of the displacement site (such as the comparable site is significantly smaller, or it lacks a detached garage, swimming pool, or tennis court), the value of such attribute shall not be included in subject's acquisition price to compute the purchase supplement payment. The value of such major exterior attributes shall be subtracted from subject's acquisition price as outlined in **RA-520 F3**.

Sheds are not considered to be major exterior attributes, as their value is generally not a significant contribution to the overall homesite value. However, the value of a shed will be deducted from a typical homesite determination when it is used for nonresidential purposes (such as a chicken coop, corn crib, smoke house).





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Uneconomic Remnant

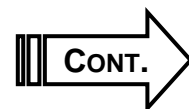
#### POLICY:

If an uneconomic remnant remains after a partial acquisition from a typical homesite and the remainder is not a typical buildable lot, two purchase supplement payments will be computed and offered to the owner, as follows:

- A. For a total acquisition, the computation will be based on the probable selling price of a comparable replacement dwelling on a typical homesite for its area, less subject's before value. The purchase supplement payment is to be rounded up to the nearest \$5.
- B. For a partial acquisition, the computation will be based on the probable selling price of a comparable replacement dwelling on a typical homesite for its area, less the amount paid for the portion of subject being acquired. The acquisition price to be used in this computation is subject's before value less subject's after value. The purchase supplement payment is to be rounded up to the nearest \$5.

If an uneconomic remnant remains after a partial acquisition from a typical homesite and the remainder is a typical buildable lot, only one purchase supplement payment will be computed and offered to the owner. The computation will be based on the probable selling price of a comparable replacement dwelling on a typical homesite for its area, less subject's before value. The acquisition price to be used in this computation is subject's before value, regardless of whether the owner retains or sells the remainder. The purchase supplement payment is to be rounded up to the nearest \$5.

When a carve-out is done to determine a typical homesite, the evaluator applies the uneconomic remnant criteria to the remainder of the carved-out homesite.



**POLICY (cont.):** Review Appraisers normally identify uneconomic remnants in the appraisal process. However, there may be instances when a remainder could be but hasn't been declared an uneconomic remnant. Such may be the case when an owner-occupied residence is acquired from a typical-sized homesite and the remainder is not declared an uneconomic remnant (perhaps because the owner wants to build on the remainder). In such cases the evaluator should discuss the situation with the Review Appraiser and inquire if the remainder could be identified as an uneconomic remnant. If after review the remainder is not identified as an uneconomic remnant, the evaluator, through the Right-of-Way Supervisor, may request the director's written approval to offer to purchase the remainder.

Designating the remainder an uneconomic remnant will remove the owner's risk of having insufficient funds with which to replace his or her residence. In addition, it limits the Cabinet's financial obligation under the Relocation Program. When the Cabinet does not offer to purchase a remainder, the owner retains the value of the land, and the replacement housing payment may be unnecessarily inflated by the value attributed to the retained remnant.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Buildable Lot

### POLICY:

When the remainder of a typical homesite is a typical buildable lot and the Cabinet offers to purchase the remainder, a single purchase supplement payment will be computed and offered to the owner. The computation will be based on the probable selling price of a comparable replacement dwelling on a typical homesite for its area, less subject's before value. The acquisition price to be used in this computation is subject's before value, regardless of whether the owner retains or sells the remainder. The purchase supplement payment is to be rounded up to the nearest \$5.

If the Cabinet does not offer to purchase the buildable remainder, the computation will be based on the probable selling price of a comparable replacement dwelling on a typical homesite for its area, less the amount paid for the portion of subject homesite being acquired. The acquisition price to be used in this computation is the before value of subject homesite less the after value of the homesite. The purchase supplement payment is to be rounded up to the nearest \$5.

When a carve-out is done to determine a typical homesite, the evaluator applies the buildable lot criteria to the remainder of the carved-out home site.

When a buildable lot remains after a partial acquisition from a typical site, it is typically in the Cabinet's best interests to offer to purchase the remainder. Designating the remainder an uneconomic remnant will remove the owner's risk of having insufficient funds with which to replace his or her residence. In addition, it limits the Cabinet's financial obligation under the Relocation Program. When the Cabinet does not offer to purchase a remainder, the owner retains the value of the land, and the replacement housing payment may be unnecessarily inflated by the value attributed to the retained remnant.

When an offer is not being made to purchase a typical buildable remainder, the evaluator should discuss the situation with the Review Appraiser and inquire if the remainder could be identified as an uneconomic remnant. If after review the remainder is not identified as an uneconomic remnant, the evaluator, through the Right-of-Way Supervisor, may request the director's written approval to offer to purchase the remainder.





## RELOCATION ASSISTANCE

*Chapter*

REPLACEMENT-HOUSING  
PAYMENTS

*Subject*

Computation—Typical Homesite

**POLICY:**

If the acquired dwelling is located on a tract typical in size for residential use in the area, the maximum purchase supplement payment is the probable selling price of a comparable replacement dwelling on a tract typical for its area, less the amount paid for subject homesite. The purchase supplement payment is to be rounded up to the nearest \$5.

With a partial acquisition from a typical homesite, the maximum purchase supplement payment will be computed in accordance with **RA-522**, “Uneconomic Remnant,” and **RA-523**, “Buildable Lot.”







## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

## Computation—Joint Residential/Business Use

### POLICY:

If the displacement dwelling was part of a property that contained another dwelling unit and/or space used for nonresidential purposes, only that portion of the acquisition payment that is actually attributed to subject's residential site shall be considered its acquisition cost when computing the purchase supplement payment.

To determine what constitutes the typical homesite, a tract typical in the area for residential use must be used, even if a portion or all of that area is occupied by an improvement that is being used for other-than-residential purposes. For example, a craft shop might be located within a portion of the area designated as subject's typical homesite. In this instance, the value attributed to the craft shop building would be excluded from the carve-out, but the value of the land on which it is located, as well as any residentially used improvements (i.e., a septic system shared by the dwelling and shop) would be included.

The maximum purchase supplement is the probable selling price of a comparable replacement dwelling on a typical tract for its area, less the difference between the before and after value of the portion carved out as typical for residential use. The difference between subject's before and after values represents the acquisition price. The actual RHP will be the amount computed after the displacee has acquired a replacement dwelling/business. Then the RHP will be recomputed based on what the displacee actually spent.

The purchase supplement payment is to be rounded up to the nearest \$5.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Computation—Higher-&-Better-Use Tract

### POLICY:

If subject's value is established based on a use higher and better than residential and the tract is larger than typical, the evaluator must first carve out subject's typical-sized homesite as outlined in **RA-528**, "Carve-Out of Homesite." The maximum purchase supplement payment is the probable selling price of a comparable replacement dwelling on a typical tract for its area, less the difference between the before-and-after value of the portion carved out, using the value indicated for the higher and better use. The difference between subject's before-and-after values represents the acquisition price. The purchase supplement payment is to be rounded up to the nearest \$5.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

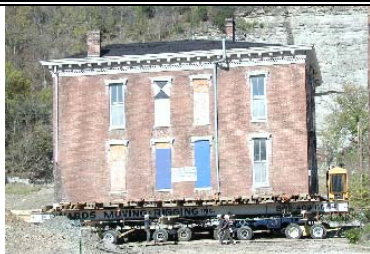
Computation—Large Tract for Area

### POLICY:

If the acquired dwelling is located on a tract larger in size than is typical for residential use in the area, the evaluator must first carve out a typical site for the subject's neighborhood, as outlined in **RA-528**, "Carve-Out of Homesite."

The maximum purchase supplement payment is the probable selling price of a comparable replacement dwelling on a tract typical in size for its area, less the difference between the before-and-after value of the portion of subject tract that was carved out as typical for residential use. The difference represents subject's acquisition price.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Carve-Out of Homesite

#### OVERVIEW:

A carve-out is needed when a subject parcel is larger than a typical-sized homesite and/or the parcel is a multifamily or multiuse property. The evaluator must first determine what is a typical homesite in the subject parcel's neighborhood.

#### SIZE:

Typical might be a small range of sizes. For example, zoning regulations may require a minimum residential lot size of 12,000 square feet, but lots in the neighborhood might actually range from 12,000 to 20,000 square feet. In this instance, a typical size would be a lot between 12,000 and 20,000 square feet.

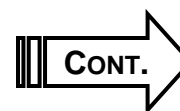
In areas where a typical homesite cannot be determined due to large variances of tract sizes, the area the displacee actually uses for residential purposes will be used to compute the purchase supplement payment.

Consideration must be given to locations of driveways, fences, outbuildings, gardens, and pools, and to the area maintained, cleared, and mowed for residential usage.

If all or part of an area occupied by nonresidential improvements must be included in order to create a typical homesite for the area, the land upon which the nonresidential improvements are located will be included within the carve-out. For example, the value of a tobacco barn situated on a typical carved-out homesite would not be included in the carve-out, but the land upon which the barn is located would be included.

To determine what portion of the acquisition price is attributed to the typical homesite, review the appraisal and use the price actually paid for the portion of the homesite being acquired.


In cases where the appraisal does not give this information, or when the evaluator's determination of a typical homesite differs from the appraisal, the first-level review appraiser may be asked to furnish values based on the carve-out identified by the evaluator. Carve-out values may ultimately be furnished by memorandum from the first-level review appraiser or the appraiser.



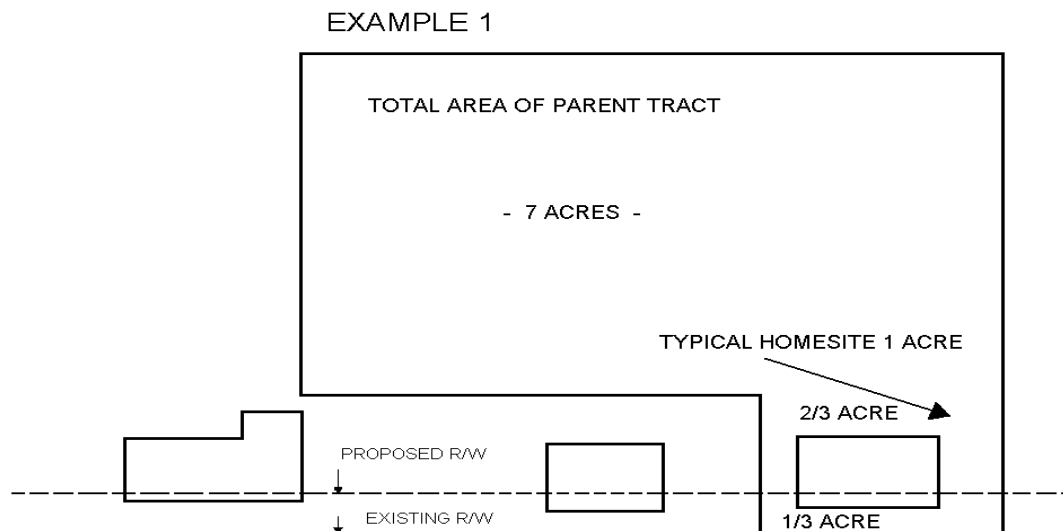
**SIZE (cont.):**

The maximum purchase supplement payment is the probable selling price of a comparable replacement dwelling on a tract typical for its area, less the before-and-after value of subject's typical-sized carved-out homesite. The difference between the before-and-after values of the carve-out represents the acquisition price for purposes of computing a purchase supplement. The purchase supplement is to be rounded up to the nearest \$5.



 <p style="font-size: 1.5em; font-weight: bold; margin-top: 10px;">RELOCATION ASSISTANCE</p>	<p><i>Chapter</i></p> <p style="text-align: center;">REPLACEMENT-HOUSING PAYMENTS</p> <hr/> <p><i>Subject</i></p> <p style="text-align: center;">Examples of Typical Homesite Determinations</p>
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**EXAMPLES:** The accompanying examples are included here for instructional purposes only.



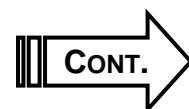
**COMPUTATION OF RHP FOR OWNER-OCCUPANT**

Less than typical homesite acquired

Typical homesite determination ..... 1 acre  
 Portion of homesite being acquired ..... 1/3 acre

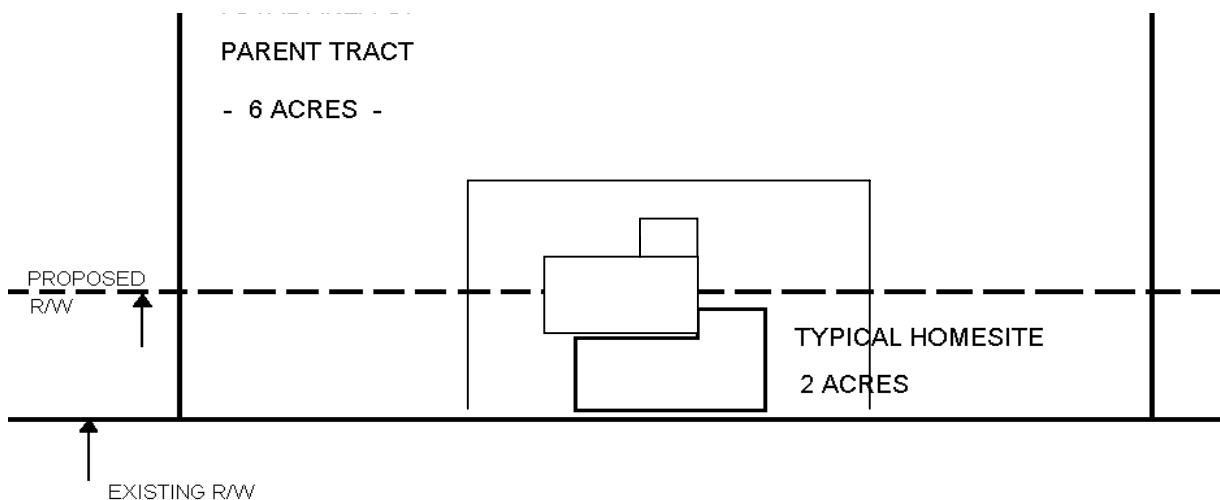
	<u>Before Value</u>	<u>After Value</u>	<u>Acq. Price</u>
Land – 1-Acre Carve-Out	\$15,000	\$10,000	\$ 5,000
Residence	55,000	0	55,000
Special Land Improvements	<u>4,000</u>	<u>0</u>	<u>4,000</u>
	<u>\$74,000</u>	<u>\$10,000</u>	<u>\$64,000</u>

Comparable dwelling on typical tract for its area ..... \$72,000  
 LESS: Acquisition price of carved-out homesite ..... 64,000  
 Maximum Purchase Supplement: \$8,000



**EXAMPLES (cont.): Note:** While the typical homesite has been determined to be one acre, only a portion of the homesite is being acquired. Therefore, the acquisition price for computation purposes includes the difference between the before value and after value of the one-acre carved-out homesite.

**EXAMPLE NO. 2**



**COMPUTATION OF RHP FOR OWNER OCCUPANT**

Larger than typical homesite and portion of area is outside the homesite

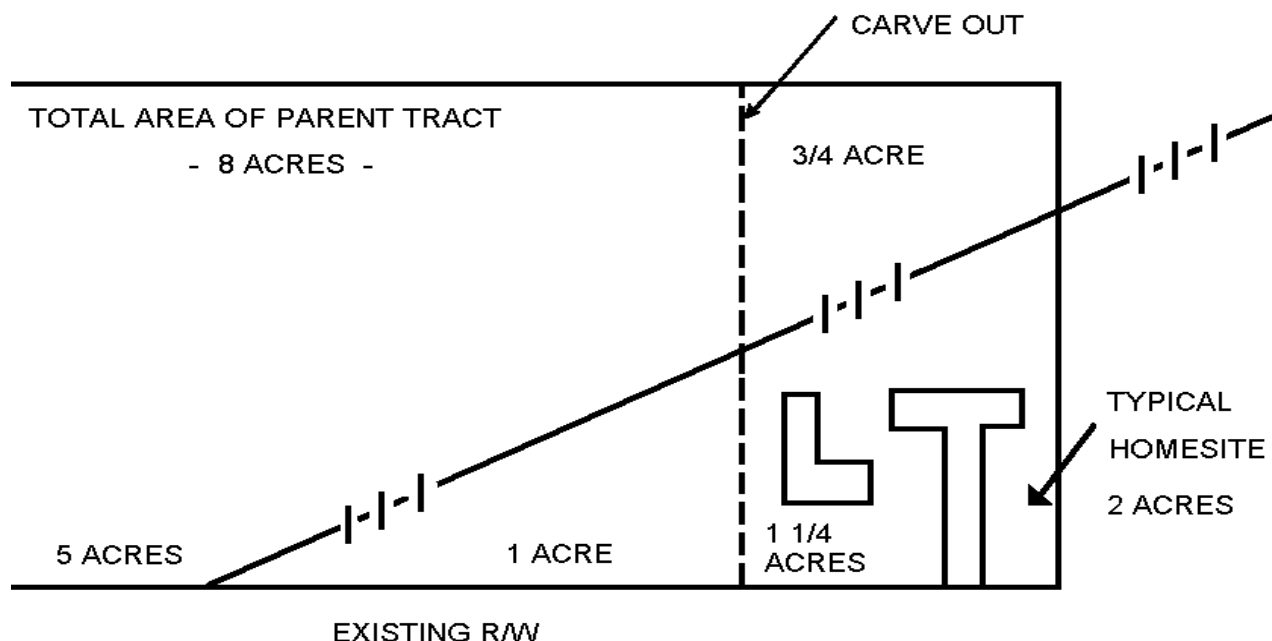
Typical homesite determination ..... 2 acres  
Area being acquired from the parcel ..... 3 acres  
Portion of homesite being acquired ..... 1 acre

	<u>Before Value</u>	<u>After Value</u>	<u>Acq. Price</u>
Land—2-acre carve-out	\$8,000	\$4,000	\$4,000
Residence	65,000	0	65,000
Special land improvements	<u>7,000</u>	<u>0</u>	<u>7,000</u>
	\$80,000	\$4,000	\$76,000
Comparable dwelling on typical tract for its area .....			\$88,000
LESS: Acquisition price of carved-out homesite .....			<u>76,000</u>
			Maximum Purchase Supplement: \$12,000



**EXAMPLES (cont.): Note:** While the typical homesite was determined to be two acres and three acres are being acquired, only one of the acres being acquired actually lies within the homesite carve out. Therefore, the acquisition price, for computation purposes, includes the difference between the before value and the after value of the two-acre carved-out homesite.

EXAMPLE NO. 3



**COMPUTATION OF RHP FOR OWNER-OCCUPANT**

More than a typical homesite acquired

Typical homesite determination ..... 2 acres  
Area being acquired..... 2 1/4 acres  
Portion of homesite being acquired ..... 1 1/4 acres

	<u>Before Value</u>	<u>After Value</u>	<u>Acq. Price</u>
Land – 2-acre carve-out	\$9,000	\$3,375	\$5,625
Residence	73,500	0	73,500
Special land improvements	<u>8,000</u>	<u>750</u>	<u>7,250</u>
	\$90,500	\$4,125	\$86,375
Comparable dwelling on typical tract for its area .....			\$94,500
LESS: Acquisition price of carved-out homesite .....			<u>86,375</u>
Maximum Purchase Supplement:			\$8,125





**EXAMPLES (cont.): Note:** While the typical homesite was determined to be 2 acres and 2¼ acres are being acquired, only 1¼ of the acres being acquired actually lie within the homesite carve-out. Therefore, the acquisition price, for computation purposes, includes the difference between the before value and after value of the 2-acre carved-out homesite.





## RELOCATION ASSISTANCE

*Chapter*

REPLACEMENT-HOUSING  
PAYMENTS

*Subject*

Applicability of Last-Resort Housing

**POLICY:**

The department will provide additional or alternative assistance pursuant to **Chapter 7**, "Last-Resort Housing," provisions, when a comparable replacement dwelling within statutory limits cannot otherwise be made available to the displacee.





## RELOCATION ASSISTANCE

*Chapter*

REPLACEMENT-HOUSING  
PAYMENTS

*Subject*

Delay in Making Offer to Displacee

**POLICY:**

If the offer to a displaced residential occupant cannot be made in a reasonable time after a replacement housing or rent supplement payment is computed, the district must ensure that the comparable replacement dwelling relied upon is still available on the market. If a check of the market reveals the comparable relied upon is no longer available, a new comparable must be selected and the replacement housing or rent supplement computation must be recomputed.





## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

Recomputing Replacement-Housing  
Payment Based on Comparability Changes

**RECOMPUTING:** When the displacee did not have a reasonable time to negotiate the purchase or lease of the original comparable, or a different comparable must be selected following an appeal, the replacement housing payment must be recomputed.

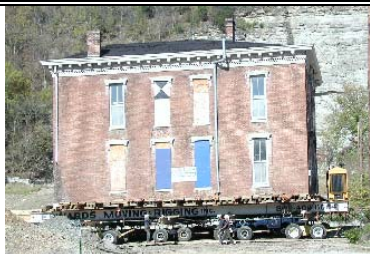
The replacement-housing payment will be recomputed based on comparables currently available on the market at the time the replacement housing payment is recomputed.

A 90-Day Notice cannot be issued to a residential displacee until comparable replacement housing has been made available.

A comparable replacement dwelling will be considered to have been made available to a person if all of the following conditions are met:

- A. The person is informed of its location
- B. The person has sufficient time to negotiate and enter into a purchase agreement or lease for the property
- C. Subject to reasonable safeguards, the person is assured of receiving the relocation assistance and acquisition payment to which the person is entitled in sufficient time to complete the purchase or lease of the property





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### Revising Replacement-Housing Payments Based on Value Changes

**REVISING OFFER:** A replacement-housing payment offer will be revised based on a new acquisition price if:

- A. The appraisal is revised and the acquisition offer is increased
- B. An administrative settlement increases the initial acquisition offer
- C. A legal settlement or final condemnation award is made for an amount greater than the initial acquisition offer

If the original value of the acquired homesite is less than 100 percent of the original fair market value offer, the ratio of the homesite area acquired to the total area acquired will be used to revise the purchase supplement.

Any adjustment made as a result of a court award or stipulated settlement must be made in accordance with this ratio.

**EXAMPLE:** The original carve-out (typical homesite) value of the acquired property was \$62,450, and the Cabinet's total fair market value offer was \$88,000. To determine the ratio of the carved-out homesite to the total offer, divide the value of the carve-out by the amount of the Cabinet's offer for the parcel ( $\$62,450 / \$88,000 = .7097$  ratio).

Comparable used for original computation	\$76,500
Original valuation of the carved-out homesite	<u>62,450</u>
Original purchase supplement	\$14,050

A \$92,000 jury award (or legal settlement) is made to the displacee.

$.7097$  (original carve-out ratio)  $\times$  \$92,000 award = \$65,292 (revised acquisition price of the carved-out homesite).

Comparable used for original computation	\$76,500
Revised acquisition price of the carved out home site	<u>65,292</u>
Revised purchase supplement based on settlement	\$11,208
<b>Round to</b>	<b>\$11,210</b>



**POLICY (cont.):** It is the Relocation Agent's responsibility to coordinate with the Right-of-Way Supervisor and District Attorney to obtain settlement information and to assist the supervisor and attorney in informing the displaced person how a proposed settlement will affect his or her replacement-housing payment computation.

The evaluator will promptly submit replacement-housing payment revisions to the Relocation Branch Manager. Revisions may be in the form of a memorandum, which shall be accompanied by a copy of the administrative settlement memorandum, agreed order, court award, etc., and the most recently approved replacement-housing computation (the TC 62-212 form, *Replacement Housing Payment Computation* [**Exhibit 12**]).





## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

## Condemnation Clause

**CONDEMNATION:** When the acquisition price of a residential acquisition is challenged by the displacee, through condemnation proceedings the computed RHP based on the original FMV is to be made available. Since the replacement housing entitlement may change depending on the final outcome of the trial/settlement the displacee must agree, prior to payment, in a written condemnation clause within the payment claim, that:

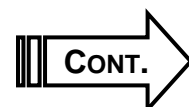
- A. Upon final determination of the condemnation proceedings, the replacement housing payment will be recomputed using the acquisition price established by the court or by stipulated settlement and the lesser of:
  - 1. The cost of the decent, safe, and sanitary replacement dwelling actually purchased
  - 2. The cost of a comparable replacement dwelling
- B. If the amount awarded as the fair market value of the property acquired plus the amount of the provisional replacement housing payment exceeds the amount outlined in **RA-540**, "Purchase Supplement for a 180-Day Owner-Occupant," the displacee will refund to the department from the condemnation award or stipulated settlement, an amount equal to the amount of excess.

The displacee will refund no more than the amount of the provisional replacement housing payment.

If the displacee does not agree with the above provisions, the replacement housing payment will be deferred pending final adjudication or a stipulated settlement.

All eligible owner-occupants, in the case of condemnation, must agree to the condemnation clause and sign the claim.

If the value of the acquired homesite is less than 100 percent of the acquisition price, the condemnation clause must specify the ratio of the homesite area acquired to the total area acquired.



**POLICY (cont.):** Any adjustment made as a result of a court award or stipulated settlement must be made in accordance with this ratio and as outlined in **RA-533**, “Revising Replacement Housing Payments.”

**EXAMPLE:** The original carve-out (typical homesite) value of the acquired property was \$78,550, and the Cabinet's total fair market value offer was \$100,000. To determine the ratio of the carved-out homesite to the total offer, divide the value of the carve-out by the amount of the Cabinet's offer for the parcel ( $\$78,550 / \$100,000 = .7855$  ratio).

Comparable used for original computation	\$85,000
Original valuation of the carved out homesite	<u>78,550</u>
Provisional purchase supplement	\$6,450

A \$120,000 jury award (or legal settlement) is made to the displacee.

$.7855$  (original carve out ratio)  $\times$  \$120,000 award = \$94,260 (revised acquisition price of the carved-out homesite).

Comparable used for original computation	\$85,000
Revised acquisition price of the carved-out homesite	<u>94,260</u>
Revised purchase supplement after award	\$0

Displacee must refund the entire \$6,450 provisional purchase supplement to the department, per the condemnation clause.







## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

## Inspection & Purchase of Replacement Dwelling

### INSPECTION:

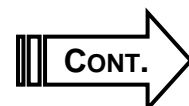
Before making a replacement housing payment or releasing a payment from escrow, a Relocation Agent must inspect the proposed replacement dwelling and determine that it is decent, safe, and sanitary (DS&S). The following conditions apply:

- A. DS&S standards will be applied to eligible family members as outlined in **RA-514**, "Persons Not Lawfully Present in the United States."
- B. If the dwelling is not DS&S, the claim will be denied until the dwelling is brought up to DS&S standards or the displacee occupies a replacement dwelling that is DS&S within the one-year time frame.
- C. Certification of DS&S replacement housing will be in writing on the department's TC 62-67 form, *D S & S Inspection Report* (**Exhibit 09**).
- D. If a displacee moves out of state or out of the district, a written request will be made to the Relocation Branch Manager to obtain the DS&S inspection from the receiving State DOT. The agent's request will include a DS&S Inspection Report, which will show:
  - 1. Displaced person's full name,
  - 2. Address of the dwelling to be inspected
  - 3. Project identification
  - 4. Make-up of the family being displaced

### REQUIREMENTS:

A displaced person has met the requirements to purchase a replacement dwelling if the displacee:

- A. Purchases a dwelling
- B. Purchases and rehabilitates a substandard dwelling
- C. Relocates a dwelling that the displacee owns or purchases
- D. Constructs a dwelling on a site the displacee owns or purchases



**REQUIREMENTS**

**(cont.):**

- E. Contracts for the purchase or construction of a dwelling on a site provided by a builder or on a site the person owns or purchases
- F. Currently owns 100 percent interest in a previously acquired dwelling or land upon which the replacement dwelling is constructed. The valuation of such dwelling or site shall be the fair market value at the time of occupancy. Partial ownership interest will be considered as outlined in **RA-518**.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Written Statement of Eligibility

### STATEMENT OF ELIGIBILITY:

When a displacee qualifies for a replacement housing payment but has not yet purchased or occupied a replacement dwelling, the displacee may request the district to provide a written statement to any interested party (financial institution or lending agency) indicating the amount of payment the displacee will be eligible to receive upon purchase and occupancy of the dwelling.

This statement may be provided only when the proposed dwelling has been inspected by a Relocation Agent and has been determined to be decent, safe, and sanitary.

The statement must include the address of the inspected property and the amount of money the displacee must spend in order to receive the full replacement housing payment, provided he or she occupies the replacement dwelling within the one-year time period outlined in **RA-503**, **RA-504**, and **RA-505**.

If the inspected dwelling is not decent, safe, and sanitary, the statement must specify which deficiencies require correction prior to any replacement housing payment being made.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Submitting Application & Claim

**TIME FRAME:** Claims for replacement housing payments must be submitted to the district within 18 months of:

A. For owners, the later of:

1. The date of their move
2. The date of final payment for the property acquired (in the case of condemnation, the date the full amount of the estimate of just compensation is deposited with the court)

B. For tenants, the date of their move

This time period shall be waived for good cause. Such waiver shall be in writing and approved by the Relocation Branch Manager.

**FORM:** Claims must be submitted on forms provided by the district—the TC 62-212/213 form, *Replacement Housing/Down Payment Assistance Residential Claim (Exhibit 12)*; or the TC 62-71 form, *Rent Claim (Exhibit 11)*.

**CONDITIONS:** The claim is subject to the following conditions: In the application, the Relocation Agent must certify that the replacement dwelling:

- A. Is decent, safe, and sanitary
- B. Is, or will be, the displacee's domicile

**PAYMENT:** The replacement housing payment will be made directly to the displacee unless the displacee requests in writing that payment be made to another party. The written request to assign payment to another must accompany the claim for payment.





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### Payment after Death

#### DEATH OF DISPLACEE:

A replacement housing payment is personal to the displacee, and upon his or her death, the undisbursed portion of any such payment will not be paid to the heirs or assigns, with the following exceptions:

- A. The amount attributable to the tenant displacee's period of actual occupancy of the replacement housing will be paid.
- B. The full payment will be disbursed whenever a member of a displaced family dies and other family members continue to occupy the replacement dwelling in accordance with relocation procedures.
- C. Any portion of a replacement housing payment necessary to satisfy the legal obligation of an estate in connection with the selection of a replacement dwelling by or on behalf of the deceased shall be disbursed to the estate.





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

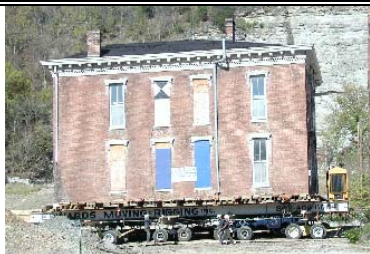
### 180-Day Owner-Occupant— Amount of Payment

#### PAYMENT AMOUNT:

The total replacement housing payment for a 180 day owner occupant may not exceed \$22,500 and will be the sum of:

- A. The actual amount by which the cost of a replacement dwelling exceeds the acquisition cost of the displacement dwelling, in accordance with **RA-540**
- B. The increased interest costs and other debt service costs incurred to secure a mortgage on the replacement dwelling, in accordance with **RA-542**
- C. The reasonable expenses incidental to the purchase of the replacement dwelling, in accordance with **RA-543**





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### Purchase Supplement for a 180-Day Owner-Occupant

#### PURCHASE SUPPLEMENT:

A price differential, or purchase supplement, is the amount, not to exceed \$22,500, that must be added to the acquisition cost of the displacement dwelling to provide a total amount equal to the lesser of:

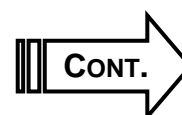
- A. The reasonable cost of a comparable replacement dwelling, defined at **RA-504-1**, “Comparable Replacement Housing—Criteria”
- B. The purchase price of the decent, safe, and sanitary replacement dwelling actually purchased and occupied by the displaced person

At least three comparable replacement dwellings should be used in accordance with **RA-504-2**, “Comparable Replacement Housing—Availability,” for each purchase supplement computed, with the one most comparable to the displacement dwelling used to compute the price differential, must be preapproved prior to making an offer.

With preapproval by Central Office, the cost-new method to construct a comparable dwelling may be used to determine the maximum purchase supplement when no other comparable replacement dwelling is available or when it is most cost-effective to do so. It is important to ensure that all activities comply with **RA-700**, “Last-Resort Housing,” requirements. This should not be used, without FHWA approval on federal-aid projects.

The following conditions apply:

- A. From qualified homebuilders and contractors, obtain at least two estimates of the cost to construct a decent, safe, and sanitary dwelling in a comparable area and functionally similar to the displacement dwelling.
- B. Any variation in size between the acquired and replacement dwellings must be fully explained and documented.



**PURCHASE  
SUPPLEMENT  
(cont.):**

- C. A 30-Day Notice to Vacate may not be delivered unless newly constructed housing will be available for occupancy within 30 days, or existing comparable housing became available for purchase at the same amount or less and was made available prior to the displacee's commitment on a new construction.
- D. If a displacee chooses to construct a replacement dwelling when existing comparable replacement dwellings are available, the amount of the payment cannot exceed the amount that would have been paid had the comparable used in the replacement housing payment eligibility computation been purchased.

To avoid duplication of payment, any insurance proceeds a displacee receives in connection with a loss to the displacement dwelling due to a catastrophe—fire, flood, etc.—will be included in the acquisition cost of that dwelling when computing the price differential.







## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

## Owner Retention—Purchase Supplement Payment

### OWNER RETENTION:

If an owner elects to retain the displaced dwelling and relocate it to a replacement site, the purchase supplement payment will be based on the salvage value of the retained dwelling plus costs to reestablish the dwelling at a new site and, if necessary, bring it up to decent, safe, and sanitary standards, less the acquisition price of the acquired homesite as defined in **RA-201**, "Definitions." The purchase supplement payment is to be rounded up to the nearest \$5.

The purchase supplement payment must not exceed the amount the displaced person would have received if a comparable replacement dwelling had been purchased.

### COSTS:

The costs to reestablish the dwelling are:

- A. The cost to move the retained dwelling
- B. The cost of repairs the district determines are necessary to make the dwelling decent, safe, and sanitary (DS&S)
- C. The cost of a homesite, including any necessary landscaping, driveways, wells, septic systems, etc.
- D. The cost of restoring the dwelling to a condition comparable to that before the move

**Note:** The cost to improve and/or redecorate the dwelling—other than costs to correct DS&S deficiencies—is not eligible for reimbursement.

### MOVED TO REMAINDER LAND:

If the dwelling is moved onto the displacee's remainder land, the current fair market value of that homesite will be used to compute the purchase supplement payment.





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### Increased Mortgage Interest Costs

#### AMOUNT PAYABLE:

The amount payable as increased mortgage interest costs is the sum of:

- A. An amount that will reduce the mortgage balance on the replacement dwelling to an amount that could be amortized with the same monthly principal and interest payment as for the mortgage(s) on the acquired dwelling, known as the mortgage reduction amount. This mortgage reduction is for the same time as the original note. If the displacee chooses to take out a note for a longer/lesser period than left on the original note, use the original remaining time.
- B. Other debt services costs not paid as incidental expenses, as outlined in this chapter.

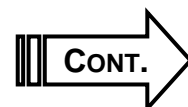
#### COMPUTATION:

Computation rules are as follows:

- A. Payment is based on the unpaid balance of all mortgages that:
  1. Were valid liens on the property for a minimum of 180 days prior to the initiation of negotiations
  2. Had an interest rate lower than the interest rate on the replacement dwelling

**Note:** If an old mortgage has a higher interest rate, the buydown amount will be zero. Points are still eligible even though the new mortgage rate is less than the old. Verify with the bank that additional points are in fact interest points and not debt service fees.

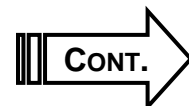
- B. If the acquired property is secured with:
  1. **An adjustable rate mortgage**, use the interest rate, monthly payment, and mortgage balance in effect on the date of acquisition
  2. **Multiple mortgages**, compute the buydown by completing computations for each mortgage using the terms of each mortgage



**COMPUTATION  
(cont.):**

3. **A home equity loan**, use the lesser of the balance on the date of acquisition or the balance 180 days prior to the initiation of negotiations. Use the interest rate and monthly payment in effect for the lowest mortgage balance.
  4. **A balloon payment mortgage**, use the interest rate, monthly payment, and mortgage balance in effect on the date of acquisition. The monthly payment is normally predicated on a term longer than the actual term of the mortgage, so the computed remaining term will be greater than the actual remaining term. Using the computed remaining term will provide the appropriate interest payment.
- C. The term used for computation shall be the remaining term of the mortgage on the acquired dwelling, or the term of the new mortgage, whichever is shorter.
1. If the term of the new mortgage is the same as or greater than the term of the existing mortgage, use the monthly payment of the existing mortgage(s) to compute the number of months actually necessary to pay off the existing mortgage(s).
  2. If the term of the new mortgage is shorter than the term of the existing mortgage(s), use the term of the new mortgage to compute the monthly payment necessary to pay off the existing mortgage(s).
- D. The interest rate on the new mortgage shall be the actual rate paid under the mortgage on the replacement dwelling, except when the interest rate exceeds the prevailing fixed rate for conventional mortgages in the area. In such cases, the rate used shall be the prevailing fixed rate for conventional mortgages in the area of the replacement dwelling.

**Note:** The district will obtain prevailing interest rates by contacting lending institutions in the area of the project at the time acquisition commences on the project. The district will record prevailing interest rates on the TC 62-50 form, *Mortgage Interest Rates (Exhibit 13)*, a copy of which will be forwarded to the Relocation Branch Manager with the Acquisition Stage Report. Original forms are to be placed in the district's relocation project file. The district will routinely recheck interest rates being charged and update TC 62-50 form accordingly.



**COMPUTATION  
(cont.):**

- E. Debt Services Costs (such as purchaser's points and loan origination or assumption fees) that are not paid as incidental expenses may be included, provided:
1. They do not exceed rates normal to similar real estate transactions in the area.
  2. The district determines them to be necessary, and such is approved by the Relocation Branch Manager.
  3. The computation of points and fees is based on the mortgage balance as defined in this chapter less the mortgage reduction amount. Seller's points are not included in the payment.

To document these charges the Relocation Agent must obtain a copy of the lending agency's closing statement.

The payment amount under this section shall be computed and documented by use of approved mortgage software such as "New Mortgage Toolbox."

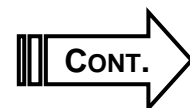
**DOCUMENTATION:** Documentation of the term, mortgage balance, and interest rate will be obtained on the TC 62-59 form, *Mortgage Information (Exhibit 14)*. Forms must be completed for the existing and new mortgages and signed by a representative of the lending agency(s). When a loan is included in a land contract, a copy of the contract will be used for documentation.

**CALCULATION OF  
MORTGAGE  
REDUCTION:**

If the amount financed on the replacement dwelling is less than the sum of the current balances on all mortgages existing on the acquired dwelling, the mortgage reduction amount must be adjusted. The New Mortgage Toolbox software will calculate the adjustment amount and provide the required new mortgage reduction amount.

The New Mortgage Toolbox software will calculate points. The Relocation Agent will calculate and add other eligible debt service costs as defined in this chapter to the mortgage reduction amount. The result is the total payment for increased interest costs.

The displaced person shall be advised of the approximate amount of this payment as soon as the facts relative to the current mortgage(s) are known. Payment shall be made available at the time of closing on the replacement dwelling. The displaced person may elect to have payment made directly to him or her or, upon written request, to the lender.



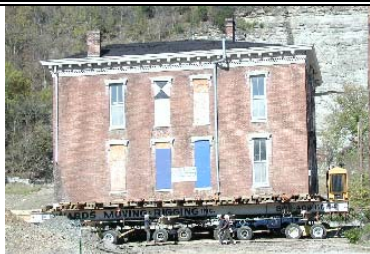
**PARTIAL  
ACQUISITIONS:**

- **Typical Tract:** When the acquired dwelling is located on a tract typical in size for residential use in the area, the interest payment will be reduced to the percentage ratio that the acquisition bears to the before value, except the interest payment shall not be reduced when the mortgagee requires the entire mortgage balance to be paid because of the acquisition and it is necessary for the displacee to refinance.
- **Larger-than-Typical Tract:** When the acquired dwelling is located on a tract larger than typical for residential use in the area, the total mortgage balance shall be reduced to the percentage ratio the typical-sized residential homesite bears to the total before value. The total mortgage balance shall be reduced whether or not the displacee is required to pay off the entire mortgage balance.

**MULTI-USE  
PROPERTIES:**

The interest payment on multi-use properties shall be reduced to the percentage ratio the typical residential homesite bears to the total before value. For example, the building acquired is a two-story building with a grocery on the first floor, and the second story is used as a residence. Typically the value attributed to the residential portion can be abstracted from the approved appraisal. However, when the required information cannot be gleaned from the appraisal, the first-level review appraiser should be asked to provide the value of the residential portion of the property. Ultimately the review appraiser or the appraiser may provide the residential value, in memorandum form, to be used in determining the interest payment.





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### Incidental Expenses for 180-Day Owner-Occupant

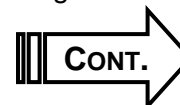
#### INCIDENTAL EXPENSES:

Incidental expenses are those necessary and reasonable costs actually incurred by the displaced person due to the purchase of a replacement dwelling and customarily paid by the buyer at closing, and may include:

- A. Legal, closing, and related costs, including those for title search (full payment of reasonable charges), preparation of conveyance instruments, notary fees, preparation of surveys and plats, and recording fees

Fees to record a mortgage are eligible only when a mortgage existed on the acquired dwelling.

- B. Lender, FHA, or VA application fees; underwriting fee; overnight fee; and tax service fee, when a mortgage existed on the acquired dwelling
- C. Appraisal, flood certification, and termite inspection fees
- D. Loan origination or assumption fees that do not represent prepaid interest and are normal to real estate transactions in the vicinity of the replacement dwelling, when a mortgage existed on the acquired dwelling. It is important to establish with the lending institution whether the displacee is paying a loan origination fee or prepaid interest in "points." Points on a loan are often prepaid interest. If so, they may be included in the increased interest if applicable.
- E. Certification of structural soundness and home inspection fees, when reasonable, or when such fees are normal to real estate transactions in the vicinity of the replacement dwelling
- F. Credit report, when a mortgage existed on the acquired dwelling
- G. Displacee's evidence of title, such as title insurance, not to exceed such cost of title insurance for a comparable replacement dwelling
- H. Escrow agent's fee
- I. State revenue or documentary stamps and sales or transfer taxes, not to exceed such cost for a comparable replacement dwelling



**INCIDENTAL  
EXPENSES (cont.):**

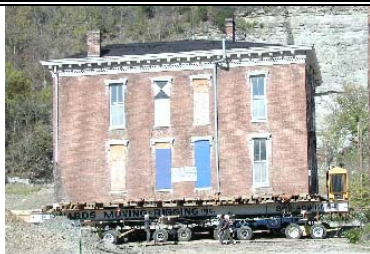
J. Other costs the Cabinet determines to be incidental to the purchase

Reimbursable expenses that are incurred to secure a new mortgage for the replacement dwelling will be based on the balance of the existing mortgage(s) or the balance of the new mortgage, whichever is less. Eligible expenses are reimbursable regardless of the length of time a mortgage has been in effect on the acquired dwelling.

In order to be reimbursed for eligible incidental expenses, the displacee must provide the district with valid, signed copies of the HUD closing statement. Paid receipts may be used to document expenses incurred outside of the closing. The TC 62-48 form, *Closing Statement (Exhibit 15)*, may be used when a HUD closing statement is not issued at closing. The Relocation Agent is to use the TC 62-48 form to document how all fees were assessed.

Expenses associated with conveyance of the displacement dwelling and payoff of the old mortgage are not eligible for reimbursement, as they are incidental acquisition expenses and are not attributed to purchase of a replacement dwelling.





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### 180-Day Owner-Occupant—Rental Assistance Payment

**POLICY:** A 180-day owner-occupant who is eligible for a replacement housing payment may opt to rent a replacement dwelling instead.

When electing to rent rather than purchase, a rental assistance payment will be computed and disbursed in accordance with **RA-545**, “90-Day Occupant—Rental Assistance Payment.”

The rental assistance payment to a 180-day owner may not exceed the maximum amount of the replacement-housing offer originally computed as an owner to owner. Actual payment is computed on the lesser of the two. The purchase supplement payment must be computed before the maximum rental assistance payment can be determined. Receipts must be received before payment is issued.

A 180-day owner-occupant who initially elects to rent a replacement dwelling is eligible for a purchase supplement payment provided he or she actually purchases and occupies a DS&S replacement dwelling within one year of the later of:

- A. The date of his or her move
- B. The date of final payment for the property acquired (in the case of condemnation, the date the full amount of the estimate of just compensation is deposited with the court)

Any purchase supplement payment to which the owner is entitled must be reduced by any rent supplement payment previously paid.

A 180-day owner-occupant is not eligible for a down-payment assistance payment.







## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

Rental Assistance Payment for 90-  
Day/Less-Than-90-Day Occupants

### OVERVIEW:

An eligible displaced person who rents a replacement dwelling is entitled to a rental assistance payment, or rent supplement, not to exceed \$5,250.

### CALCULATION OF PAYMENT:

This payment will be computed by subtracting the base monthly rental for the displacement dwelling from the **lesser of**:

- A. The monthly rent and estimated average monthly utility costs for a comparable replacement dwelling
- B. The monthly rent and estimated average monthly utility costs for the decent, safe, and sanitary dwelling actually rented and occupied by the displaced person; and multiplying the result by 42

In calculating the estimated average monthly utility costs for the displacement dwelling, use actual utility costs paid by the displaced person. The landlord or displacee may provide actual utility costs for the displacement dwelling. For the replacement dwelling, the landlord may provide the costs, or a utility company's estimate or past history for the replacement dwelling may be used, if available.

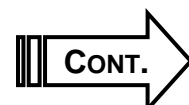
### BASE MONTHLY RENT:

The base monthly rent for the displacement dwelling is the least of A, B, or C below:

- A. The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to the displacement, as determined by the Cabinet
- B. The economic or fair market rent and average monthly utility costs

Use economic rent when:

1. The tenant provides a service in lieu of paying rent
2. The rent paid does not represent an arm's-length transaction between tenant and landlord
3. The tenant pays little or no rent
4. Owner-occupants elect to relocate as tenants



**BASE MONTHLY  
RENT (cont.):**

If the person's average gross household income amount is classified as "low income" by the Department of Housing and Urban Development's Annual Survey of Income Limits for the Public Housing and Section 8 Programs, the base monthly rental shall be established on the criteria in paragraph A of this section and then the application of the 30 percent income rule.

This process also applies for persons refusing to provide appropriate evidence of income and for persons who are dependents.

The U.S. Department of Housing and Urban Development's Public Housing and Section 8 Program Income Limits are updated annually and are available on FHWA's Web site at <http://www.huduser.org/datasets/ura/RelocAct.html>

When a rental assistance payment computation requires the use of Last-Resort Housing Funds, income shall be documented through a verifiable source such as pay stubs, signed income tax returns, a statement from the employer or a social service agency, or bank statements. If complete information cannot be obtained in this manner, or if the person refuses to provide appropriate evidence of income or is a dependent, the base monthly rental shall be established as provided in this chapter. A full-time student or resident of an institution may be assumed to be a dependent unless the person demonstrates otherwise. If there is doubt about the low-income status, place a copy of the income determination from the HUD web page in the file.

When the displacee receives a welfare assistance payment from a program that designates the amounts for shelter and utilities, the amount designated each month for shelter and utilities shall be added to the tenant's monthly income to establish the gross monthly household income. A copy of this entitlement must be placed in the file.

The base monthly rent for the displacement dwelling for a 180-day owner-occupant who rents rather than purchases a replacement dwelling will be the economic or fair market rent and average monthly utility costs. Monthly income is not a factor in the calculation of this rental assistance eligibility amount.

The monthly rent for a comparable replacement dwelling will be computed by using three comparables in accordance with **RA-520**.



**PAYMENT:**

Unless otherwise recommended by the district, the rental assistance will be paid in a lump sum when the full amount of the rental RHP is applied to the replacement site. When the maximum rental assistance payment exceeds \$5,250, payment must be made in three annual installments, unless the department determines on a case-by-case basis that the payment will be made in one lump-sum payment.

Installments can also be made if requested by the displaced person and the file is documented as such.

No payments shall be made until proof of rental payment has been made and is in the file. Exceptions to this rule must have approval, and payments will be made by the agent directly to the lessor with a signed receipt received.

This process is the same for the less-than-90-day renter.





## RELOCATION ASSISTANCE

### Chapter

## REPLACEMENT-HOUSING PAYMENTS

### Subject

## Down-Payment Assistance Payment

### POLICY:

Other than a 180-day owner-occupant, any displaced person eligible for a rental assistance payment under **RA-545** may choose to use that payment as a down-payment supplement, which is inclusive of incidental expenses, to purchase a replacement dwelling. **The downpayment assistance payment is limited to \$5,250.** Subsequent occupants and occupants of less than 90 days are eligible for down-payment assistance, even if their rent supplement payment computation is \$0. Of course this is under the Last-Resort Housing provision, and the displaced person must be able to demonstrate he or she is rated low income according to the HUD schedule and can afford the payments if there are any.

A 180-day owner-occupant eligible for a purchase supplement under **RA-540** is not eligible for this payment, with the exception of a mobile-home owner who rents or leases the mobile-home site.

For the renter of the mobile home site, payment is limited to the amount of the approved rental assistance payment computation, except that, when the computation is less than \$5,250, the displacee may still be eligible for an amount up to but not to exceed \$5,250.

The full amount of the down-payment assistance payment must be applied to the purchase price of the decent, safe, and sanitary replacement dwelling and related incidental expenses, and must be shown on a signed closing statement provided to the district.





## RELOCATION ASSISTANCE

### Chapter

### REPLACEMENT-HOUSING PAYMENTS

### Subject

### Conversion of Rental Assistance Payments

#### POLICY:

A displacee who initially rents a replacement dwelling and receives a rent supplement payment under the provisions of these procedures may subsequently choose to purchase a dwelling.

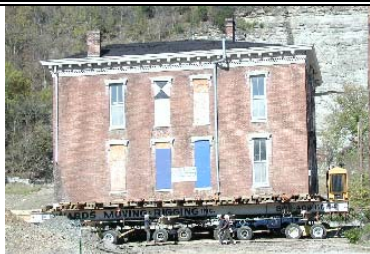
If the displacee met the eligibility criteria described in **RA-503**, “180-Day Owner-Occupant—Eligibility,” the displacee is eligible to receive a replacement housing payment, including:

1. A purchase supplement as provided in **RA-540**
2. Mortgage interest differential payments as provided in **RA-542**
3. Incidental expenses as provided in **RA-543**

Any portion of the rental assistance payment that has been disbursed will be deducted from the replacement housing or down-payment supplement payments, as applicable.

To qualify for this payment conversion, the displacee must also meet the one-year time frame to purchase and occupy.





## RELOCATION ASSISTANCE

### Chapter

REPLACEMENT-HOUSING  
PAYMENTS

### Subject

Protective Leasing

#### OVERVIEW:

Vacant property scheduled to be acquired by the department or property that is vacated after initiation of negotiations on the parcel, and before acquisition either residential or nonresidential, may be leased by the department when doing so will be less costly for the Cabinet than relocating a potential subsequent tenant.

#### RECOMMENDATION FOR PAYMENT OF PROTECTIVE RENT:

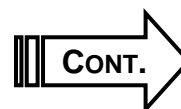
The Right-of-Way Supervisor shall be responsible for recommending payment of protective rent, subject to the following:

- Before recommending payment of protective rent, consideration must be given to the district's ability to promptly initiate negotiations and, if necessary, proceed with condemnation.
- When the department is paying protective rent for a property prior to the beginning of appraisal work on the project, the Right-of-Way Supervisor must ensure maximum coordination among appraisal, acquisition, and relocation assistance in order to facilitate timely acquisition of that property.
- Priority must be given to ordering and reviewing an appraisal, presenting an offer to purchase to the owner, carrying out subsequent negotiations, and obtaining a prompt closing or right of entry.
- A property that has been vacant for six months or more prior to the initiation of negotiations should not be considered for protective rent payment

#### RENTAL AMOUNT:

The rental amount may not exceed the market rent for like units within the area and/or community, and is to be negotiated, taking into account the following factors:

- A. The rent payment is assured.
- B. No one will actually occupy the property; therefore no clean-up, painting, or improvements will be needed.




- C. The owner will not be responsible for maintenance.
- D. Negotiations should begin at a monthly rent no higher than the most recent monthly rent paid for the property.
- E. If it has been determined that payment of protective rent is more cost-effective than risking future occupancy of the parcel to be acquired, and if this can only be accomplished by paying market rent, then market rent will be paid.

The district shall document the reasoning used and facts considered in determining the need for a protective lease, which will be made on a month-to-month basis.

The Right-of-Way Supervisor is responsible for having a protective lease executed.

The director will approve protective rent payments.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>MOBILE HOMES</p>
	<p><i>Subject</i></p> <p>Definitions</p>

**MOBILE HOME:** A structure, transportable in one or more sections, that has a body width of eight feet or more, is built on an integral chassis, is designed to be used as a dwelling when connected to the required utilities, and includes plumbing, heating, air-conditioning, and electrical systems, as applicable, contained therein. This includes manufactured homes and recreational vehicles when local codes recognize them as DS&S and they are used as the full time residence.

**MOBILE-HOME OWNER:** A person who owns a mobile home but does not occupy it as a dwelling

**MOBILE-HOME OWNER-OCCUPANT:** A person who owns a mobile home and occupies it as a dwelling

**MOBILE-HOME TENANT:** A person who rents a mobile home as a dwelling







## RELOCATION ASSISTANCE

*Chapter*

MOBILE HOMES

*Subject*


General Provisions

**OVERVIEW:**

Generally, a person displaced from a mobile home and/or mobile-home site is entitled to a moving-expense payment in accordance with **RA-400**, "Moving & Related Expenses," and a replacement-housing payment in accordance with **RA-500**, "Replacement-Housing Payments," to the same extent as a person displaced from a conventional dwelling.

Any other nonstandard structure used as a residential dwelling is to be addressed on an individual basis and approved for relocation assistance benefits by the Relocation Branch Manager.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>MOBILE HOMES</p>
	<p><i>Subject</i></p> <p>Occupancy Status</p>


**CRITERIA FOR  
OCCUPANCY  
STATUS:**

The following provisions apply to the determination of a mobile-home displacee's occupancy status:

- The ownership or tenancy of a mobile home (not the land on which the mobile home sits) determines the occupant's status as an owner or a tenant for purposes of computing a replacement-housing payment.
- The length of occupancy of the mobile-home owner or tenant on the site determines his or her status as 180-day occupant, 90-day occupant, or less-than-90-day occupant.
- A mobile home and site are purchased as real property in Kentucky, and the owner-occupant is provided the same relocation benefits as such.
- A situation involving an owner-occupant of a mobile home who leases the site is treated as dual owner tenant situation. RHP is computed as personal property.

Relocation computations are based on the cost to move the mobile home plus set up and bringing it up to DS&S standards. The rental site is computed as rental to rental with utilities included. Both computations can be added together toward one housing solution as long as it meets all other requirements and is applied to the replacement site. The computation for the owner-occupant of a mobile home may not exceed \$22,500, and the portion for the rental site may not exceed the \$5,250.




 <b>RELOCATION ASSISTANCE</b>	<b>Chapter</b>  MOBILE HOMES
	<b>Subject</b>  Acquired Versus Purchased

**OVERVIEW:** Explained is the difference between “acquired” and “purchased” mobile homes.

**ACQUIRED:** For the purposes of relocation assistance, an "acquired" mobile home is a mobile home that is considered part of the real property and is included in the Department of Highways' acquisition of the fee parcel.

**PURCHASED:** A "purchased" mobile home is a mobile home that is considered personal property and is not included in the department's acquisition of the fee parcel but is subsequently purchased by the department; i.e., if the cost to move the mobile home is more that its value.



	<i>Chapter</i>  MOBILE HOMES
	<i>Subject</i>  Determination to Relocate Mobile Home

## RELOCATION OF MOBILE HOME:

If the mobile home is considered personal property, the district evaluator is to determine whether the mobile home can be relocated.

If the mobile home can be relocated, the owner is eligible for reimbursement for the cost to move the mobile home. If the owner of the mobile home relocates it and is reimbursed for the move, he or she is not eligible for a replacement-housing payment for the mobile home.

The owner-occupant may be eligible for a replacement-housing payment for an appropriate replacement under the provisions of **RA-500**, "Replacement-Housing Payments."

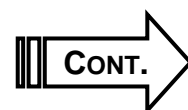
Any mobile home that is structurally able to be moved should be moved. Mobile homes five years old or less should typically be moved.

If the mobile home cannot be relocated, the Department of Highways is to make an offer to purchase it. Acceptable reasons a mobile home cannot be relocated are as follows:

- The structural condition of the mobile home is such that the home cannot be moved without substantial damage or unreasonable cost.

**Note:** "Substantial damage" or "unreasonable cost" applies if the cost to relocate the mobile home and reestablish it on a new site were to equal or exceed the entitlement calculated in the replacement-housing payment computation.

- The mobile home is not and cannot economically be made decent, safe, and sanitary.
- The mobile home does not meet comparable mobile-home park eligibility requirements in areas where relocation to a park is the only option available.
- There is no available comparable site.
- The Relocation Branch Manager, on a case-by-case basis, determines there are other conditions prohibiting the relocation of a mobile home.



**RELOCATION OF  
MOBILE HOME  
(cont.):**

An offer to purchase is to be based on the fair market value of the mobile home and is to be made regardless of the owner's or tenant's length of occupancy. The review appraiser or the appraiser is to establish the fair market value. The value is to be used as a basis for determining a replacement-housing payment for a mobile-home owner-occupant.

If the mobile home is purchased pursuant to **RA-604** and the displaced person is the owner-occupant of the mobile home, the purchase-supplement amount is to be calculated as described in **RA-508**.

If a mobile-home owner-occupant retains and reoccupies a mobile home that the Department of Highways determines cannot be relocated and if the mobile home does not meet decent, safe, and sanitary (DS&S) standards, the costs necessary to move the home and meet these standards may be claimed from the available purchase supplement or down-payment supplement. The total amount claimed may not exceed the amount allowed in the replacement-housing payment computation.

***Example:***


<b>Cost of Comparable DS&amp;S Mobile Home</b>	\$12,000
<b>FMV Offer to Purchase Non-DS&amp;S Mobile Home</b>	<u>-5,000</u>
<b>Maximum Purchase Supplement</b>	\$7,000

The displacee elects, instead, to keep the mobile home and relocate it to a replacement site.

<b>Actual Cost to Move Mobile Home</b>	\$1,000
<b>Cost to Make Necessary DS&amp;S Repairs</b>	<u>+1,500</u>
<b>Cost to Move and Make Mobile Home DS&amp;S</b>	\$2,500

The displacee may be reimbursed \$2,500 as a move cost since it does not exceed the calculated purchase supplement. The mobile home owner-occupant may also be eligible for a rental-assistance payment or a down-payment supplement for the replacement site.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>MOBILE HOMES</p>
	<p><i>Subject</i></p> <p>Proof of Purchase</p>

**PROOF OF  
PURCHASE:**

The bill of sale and the title for the mobile home shall evidence the Department of Highways' purchase of a mobile home. The District Right-of-Way Supervisor is to forward the application for title and license receipt to the property management specialist no later than 10 working days from the date of execution by the mobile-home owner.





## RELOCATION ASSISTANCE

### Chapter

MOBILE HOMES

### Subject


Partial Acquisition of Mobile-Home Park

#### ACQUISITION OF A PORTION OF A MOBILE-HOME PARK:

The District Right-of-Way Supervisor is to determine whether acquisition of a portion of a mobile-home park leaves a remainder that is not adequate to continue operation of the park. As long as the mobile home park can continue to generate revenue under the existing codes and building restrictions of that county, the Cabinet will not buy or relocate any more than is needed for the project.

If the supervisor's determination requires that a mobile home be relocated from the remainder, the owner, owner-occupant, and any tenant are to be considered displaced persons entitled to appropriate assistance and payments under the Relocation Assistance Program.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>MOBILE HOMES</p>
	<p><i>Subject</i></p> <p>Comparable Replacement Dwelling</p>


**CRITERIA FOR  
COMPARABLE  
REPLACEMENT  
DWELLING:**

If a comparable replacement mobile home is not available, the replacement-housing payment calculation is to be based on the reasonable cost of a conventional comparable replacement dwelling.

The conventional comparable replacement dwelling is to be similar to the subject mobile home in size and utility, unless a larger dwelling is necessary to meet decent, safe, and sanitary housing standards. Approval of Central Office is required.





 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>MOBILE HOMES</p>
	<p><i>Subject</i></p> <p>Eligible Moving Expenses</p>

**OCCUPANT  
ONLY:**

A person who occupies but does not own a mobile home is entitled to reimbursement for the cost to move personal property from the mobile home on an actual-cost basis, in accordance with **RA-406-2**, "Commercial Mover," or on the basis of a fixed payment, in accordance with **RA-404**, "Eligible Moving Expenses."

**OWNER-  
NON-OCCUPANT:**

An owner-non-occupant of a mobile home is eligible for actual cost reimbursement, in accordance with **RA-410**, "Miscellaneous Moves."

If the mobile home is not acquired or purchased by the Department of Highways, it is treated as personal property, and the owner is eligible for reimbursement for the actual, reasonable cost to move the mobile home.

A mobile-home owner is not eligible for a payment to move the mobile home if the owner obtains a replacement-housing payment, as outlined in **RA-610**, or if the department purchases the unit, as outlined in **RA-604**.

**OWNER-  
OCCUPANT:**

The owner-occupant of a displaced mobile home classified as personal property and not acquired or purchased by the Department of Highways may be reimbursed for moving expenses, in accordance with **RA-400**, "Payment for Moving & Related Expenses." The owner-occupant may also be eligible for reimbursement for the following:


- A displaced mobile-home owner-occupant who moves the mobile home to a replacement site is eligible for the reasonable cost of disassembling, moving, and reassembling any attached appurtenances, such as porches, decks, skirting, and awnings, that were not acquired; anchoring of the unit; and utility "hook-up" charges.
- Costs to construct concrete pads, runners, and foundations are eligible for reimbursement provided the displaced site was improved with such items and they were treated as fixtures in the appraisal.



**OWNER-OCCUPANT**  
**(cont.):**

- If a mobile home to be moved requires repairs/modifications to be made decent, safe, and sanitary, and the Cabinet determines that it is practical to do so, reimbursable moving expenses are limited to reasonable costs of moving the mobile home and making the necessary repairs/modifications.
- A **nonrefundable** mobile-home park entrance fee is reimbursable to the extent it does not exceed the fee at a comparable mobile-home park.
  - ◆ If the payment of an entrance fee is necessary to effect the relocation, the District Right-of-Way Supervisor may determine that it is eligible for reimbursement. Consultants are to secure the approval of the supervisor prior to payment of an entrance fee.
  - ◆ Once an entrance fee has been deemed eligible for payment, fee is reimbursable as actual move-cost expenses.



	<b>Section</b>  REPLACEMENT-HOUSING PAYMENTS
	<b>Subject</b>  Basis for Computation

**RELOCATION ASSISTANCE**

**COMPUTING  
REPLACEMENT-  
HOUSING  
PAYMENTS:**

The replacement housing payment (RHP) is to be computed in accordance with applicable provisions of **Chapter RA-500**, “Replacement-Housing Payments.”

According to **Chapter RA-500**, “Replacement-Housing Payments,” status and length of occupancy for both the mobile home and the mobile-home site are to be considered when computing payment.

If the status of the mobile home and that of the mobile-home site differ—for example, one is owned or will be purchased, and the other is or will be rented—the total RHP consists of a payment for a dwelling and a payment for a site. Both payments may be combined, as follows:

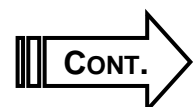
- If the mobile home owner is an occupant of **180 days** the RHP limit is \$22,500 before it becomes last-resort housing.
- If the rent-supplement portion of a combined payment to a **180-day** owner who is a tenant on the site exceeds \$5,250, the payment is not to be considered last resort unless the combined total of the RHPs for the mobile home and site exceeds \$22,500.

**EXAMPLES:**

**Example 1**

A mobile-home owner who has been a tenant on the site for more than 180 days is offered an RHP package.

<b>Maximum Purchase Supplement for Replacement Mobile Home</b>	\$6,000
<b>Rent-Supplement Payment for a Replacement Site</b>	<u>+5,500</u>
<b>Total RHP</b>	<b>\$11,500</b>



**EXAMPLES****(cont.):**

Since the total package is less than \$22,500, this is not a last-resort situation, although the rent-supplement portion of the payment exceeds \$5,250.

Assume the displacee purchases a less expensive DS&S mobile home and rents a more expensive site. Based on actual costs for the replacement mobile home and site, the displacee's payment entitlement is \$10,500, as calculated below:

	<u>Maximum Eligibility</u>	<u>Actual Cost</u>	<u>Payment Eligibility</u>
<b>Mobile Home</b>	\$6,000	\$5,000	\$5,000
<b>Site</b>	<u>+5,500</u>	<u>+5,750</u>	<u>+5,500</u>
<b>Totals</b>	\$11,500	\$10,750	\$10,500

**Example 2**

A mobile-home owner who has been a tenant on the site for more than 180 days is offered an RHP package.

**Maximum Purchase Supplement for Replacement**

<b>Mobile Home</b>	\$8,000
<b>Rent-Supplement Payment for a Replacement Site</b>	<u>+6,000</u>
<b>Total RHP</b>	\$14,000

Since the total package is less than \$22,500, this is not a last-resort situation, although the rent-supplement portion of the payment exceeds \$5,250.


Assume the displacee purchases a conventional DS&S dwelling. Based on actual costs for the replacement dwelling, the displacee's payment entitlement is \$14,000, as calculated below:

	<u>Maximum Eligibility</u>	<u>Actual Cost</u>	<u>Payment Eligibility</u>
<b>Mobile Home</b>	\$8,000	\$58,000*	\$8,000
<b>Site</b>	<u>+6,000</u>	<u>+0</u>	<u>+6,000</u>
<b>Totals</b>	\$14,000	\$58,000	\$14,000

\*Displacee must place the total \$14,000 down toward the purchase of the dwelling.

Each type of RHP is to be computed for a mobile home or mobile-home site as it is to be for a conventional dwelling and site.

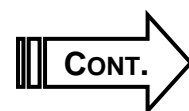


 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Section</i></p> <p>REPLACEMENT-HOUSING PAYMENTS</p>
	<p><i>Subject</i></p> <p>180-Day Mobile-Home Owner-Occupants</p>

**ELIGIBILITY  
CRITERIA:**

A displaced owner-occupant of a mobile home is entitled to a replacement housing payment (RHP) not to exceed \$22,500, according to **Chapter RA-500**, "Replacement-Housing Payments," if the following apply:

- The owner-occupant both owned the displaced mobile home and occupied it as his or her dwelling (domicile) on the displacement site for at least 180 days immediately prior to the initiation of negotiations.
- The owner-occupant meets the other basic eligibility requirements of **RA-500**, "Replacement-Housing Payments."
- Either of the following occurs:
  - ◆ The Department of Highways acquires the mobile-home site and/or acquires or purchases the mobile home
  - ◆ The department does not acquire or purchase the mobile home, but the owner is displaced from the home for one or more of the following reasons (see also **RA-605**):
    - The mobile home cannot be moved because it is structurally unsound.
    - The mobile home cannot economically be made decent, safe, and sanitary.
    - The mobile home does not meet mobile-home entrance requirements.
    - There are no available sites



**ELIGIBILITY  
CRITERIA  
(cont.):**

- If the department does not acquire or purchase the mobile home, but the evaluator determines that it is not practical to relocate it, the purchase-supplement amount, as described in **RA-500**, “Replacement-Housing Payments,” is to be:
  - ◆ The lesser of these two:
    - The reasonable cost of a comparable replacement dwelling
    - The purchase price of the decent, safe, and sanitary replacement dwelling actually purchased and occupied by the displaced person
  - ◆ Minus the highest of these three:
    - The value in place
    - The salvage value
    - The trade-in value





## RELOCATION ASSISTANCE

### Section

REPLACEMENT-HOUSING PAYMENTS

### Subject

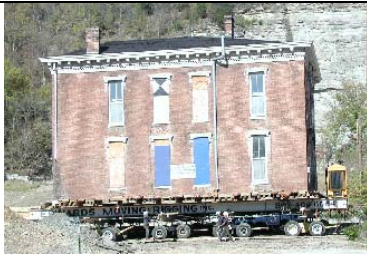
90-Day Mobile-Home Occupants

### ELIGIBILITY CRITERIA:

A displaced tenant or owner-occupant of a mobile home and/or site is eligible for a replacement-housing payment (RHP) not to exceed \$5,250 according to **RA-500**, "Replacement-Housing Payments," if the following apply:

- The occupant actually occupied the displacement mobile home as his or her dwelling (domicile) on the displacement site for at least 90 days immediately prior to the initiation of negotiations.
- The occupant meets the other basic eligibility requirements of **RA-500**, "Replacement-Housing Payments."
- Either of the following occurs:
  - ◆ The Cabinet acquires the mobile-home site and/or acquires or purchases the mobile home.
  - ◆ The Cabinet does not acquire the mobile home, but the tenant or owner-occupant is displaced from the mobile home because of one or more of the following reasons (see also **RA-605**):
    - The mobile home cannot be moved because it is structurally unsound.
    - The mobile home cannot economically be made decent, safe, and sanitary.
    - The mobile home does not meet mobile-home park entrance requirements.
    - There are no available sites--





## RELOCATION ASSISTANCE

### Section

REPLACEMENT-HOUSING PAYMENTS

### Subject

Less-Than-90-Day  
Mobile-Home Occupants

### ELIGIBILITY CRITERIA:

When the length of occupancy of a mobile home on a site is less than 90 days prior to the initiation of negotiations, a displaced tenant or owner-occupant of the mobile home may be eligible to receive a replacement-housing payment (RHP), according to **RA-500** or **RA-611**, "Last-Resort Housing Provision for Mobile Home," when all eligibility criteria as stated therein are met.

Payment computation for an eligible less-than-90-day mobile-home occupant has a ceiling of \$5,250 unless the occupants qualify for the last-resort housing provision.

Any displacee who is a less-than-90-day mobile-home occupant is eligible to receive advisory assistance and move-cost reimbursement, according to **RA-505**, "Less-than-90-Day-Occupant—Eligibility."







## RELOCATION ASSISTANCE

### Chapter

MOBILE HOMES

### Subject


Last-Resort Housing Provision for  
Mobile Home

#### POLICY:

Replacement housing of last resort should be utilized when:

- Comparable replacement housing is not available to the displaced person
- Comparable replacement housing is available for the displaced person, but the computed offer exceeds the maximum amounts of \$22,500 for 180-day owner-occupants and \$5,250 for tenants of 90-day owner occupants or less. If a comparable replacement mobile-home site is not available, the agency may determine that the mobile home cannot be relocated, and the RHP offer will be a conventional dwelling using the salvage value or trade-in value (whichever is higher) of the mobile home as the acquisition price. If the total RHP for a 180-day owner exceeds \$22,500, housing of last resort provisions will be required.

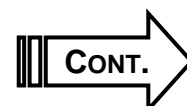


 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>LAST-RESORT HOUSING</p>
	<p><i>Subject</i></p> <p>Determining Need</p>

**GUIDELINES:**

The provisions of last-resort housing are to be used when a project cannot proceed on a timely basis because comparable replacement dwellings for owners or tenants are not available within their financial means as described under normal replacement housing supplements for 180-day and 90-day owners and tenants. The department shall provide additional or alternative assistance under the provisions of 49 CFR 24.404 and 600 KAR 3:010. Any decision to provide last-resort housing assistance must be adequately justified either:

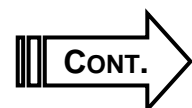
- A. On a case-by-case basis, for good cause, which means that appropriate consideration has been given to:
  - 1. The availability of comparable replacement housing in the project area
  - 2. The resources available to provide comparable replacement housing
  - 3. The individual circumstances of the displaced person
- B. By a determination that:
  - 1. There is little, if any, comparable replacement housing available to the displaced person within an entire program or project area; and therefore, last-resort housing assistance is necessary for the area as a whole
  - 2. A program or project cannot be advanced to completion in a timely manner without last-resort housing assistance
  - 3. The method selected for providing last-resort housing assistance is cost-effective, considering all elements that contribute to total program or project costs



**METHODS OF  
PROVIDING  
COMPARABLE  
REPLACEMENT  
HOUSING:**

Agencies shall have broad latitude in implementing this subpart, but implementation shall be for reasonable cost, on a case-by-case basis unless an exception to case-by-case analysis is justified for an entire project.

- A. The methods of providing replacement housing of last resort include, but are not limited to:
1. A replacement housing payment in excess of the limits set forth in §24.401 or §24.402. A replacement housing payment under this section may be provided in installments or in a lump sum at the Cabinet's discretion.
  2. Rehabilitation of and/or additions to an existing replacement dwelling
  3. The construction of a new replacement dwelling
  4. The provision of a direct loan, which requires regular amortization or deferred repayment. The loan may be unsecured or secured by the real property. The loan may bear interest or be interest-free.
  5. The relocation and, if necessary, rehabilitation of a dwelling
  6. The purchase of land and/or a replacement dwelling by the Cabinet and subsequent sale or lease to, or exchange with a displaced person
  7. The removal of barriers for persons with disabilities
- B. Under special circumstances, consistent with the definition of a comparable replacement dwelling, modified methods of providing replacement housing of last resort permit consideration of replacement housing based on space and physical characteristics different from those in the displacement dwelling (see appendix A, §24.404[c]), including upgraded, but smaller replacement housing that is decent, safe, and sanitary and adequate to accommodate individuals or families displaced from marginal or substandard housing with probable functional obsolescence. In no event, however, shall a displaced person be required to move into a dwelling that is not functionally equivalent in accordance with §24.2(a)(6)(ii) of this part.



**METHODS OF  
PROVIDING  
COMPARABLE  
REPLACEMENT  
HOUSING (cont.):**

- C. The Cabinet shall provide assistance under this provision to a displaced person who is not eligible to receive a replacement housing payment under §§24.401 and 24.402 because of failure to meet the length of occupancy requirement when comparable replacement rental housing is not available at rental rates within the displaced person's financial means. (See §24.2[a][6][viii][C].) Such assistance shall cover a period of 42 months.

The determination of the need for last-resort housing (LRH) is to be in writing and approved by the Division of Right of Way and Utilities Director and the Relocation Assistance Branch Manager. Justification for each LRH determination should include the following but is not limited to these and may include any of the above reasons.

- Availability of comparable replacement housing in the project area
- Resources available to provide comparable replacement housing
- Individual circumstances and needs of displaced persons, such as family size, handicaps, or age

**RECORD KEEPING  
& REPORTS:**

The department shall maintain adequate records of its acquisition and displacement activities in sufficient detail to demonstrate compliance with the CFR and the decisions that have been made. These records shall be retained for at least three years after each owner of a property and each person displaced from the property receives the final payment to which he or she is entitled under this part, or in accordance with the applicable regulations of the federal funding agency, whichever is later.

Records maintained by the department in accordance with this part are confidential regarding their use as public information, unless applicable law provides otherwise.





## RELOCATION ASSISTANCE

### Chapter

LAST-RESORT HOUSING

### Subject

Basic Rights of Displacees


### PUBLIC LAW 91-646:

Under the provisions of Public Law 91-646 (The Uniform Act), as amended, all rights of a displaced person are preserved under the provisions of this procedure.

No person shall be required to move from a displacement dwelling unless comparable replacement housing is available to such person. No person may be deprived of any right the person may have under The Uniform Act or this part.

The department cannot require any displacee to accept a dwelling provided by the Department of Highways under these procedures in lieu of an acquisition payment or any relocation payment for which the person may otherwise be eligible, unless the department and the displacee have entered into a contract to do so.




 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>LAST-RESORT HOUSING</p>
	<p><i>Subject</i></p> <p>Planning Stage</p>

**PLANNING  
STAGE:**

The Right-of-Way Supervisor is responsible for providing sufficient information during the planning stage of project development to support sound and reasonable transportation decisions for the right-of-way impacts of the proposed project. This is accomplished through the *Needs Assessment Survey* for each alignment being considered. The Needs Assessment Survey should include but is not limited to the following:

- A comparison of the right-of-way impacts for each alignment under consideration.
- The number of business and residences; tenant, owners, last-resort relocations
- Community impacts that may pose an Environmental Justice issue.
- Whether the maximum replacement-housing payment under **RA-500**, “Replacement-Housing Payments,” may not be sufficient to provide a comparable replacement dwelling on a timely basis
- Whether the housing market will likely have comparable replacement housing that is available to the displacee on a timely basis
- Additional last-resort housing situations other than those addressed in the Needs Assessment Survey that may occur during the project
- The estimated “lead time” needed to deliver the right of way for the project
- A measure of cost and time for unforeseen circumstances that may alter a right-of-way cost computation or cause delays in right-of-way delivery.
- Unforeseen circumstances that could alter a payment computation
- A projected cost comparison for right-of-way impacts for each alternate.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>LAST-RESORT HOUSING</p>
	<p><i>Subject</i></p> <p>Cost-Effective Replacement Housing</p>

**METHODS:**

The use of cost-effective means of providing comparable replacement housing is implied throughout this procedure or manual, not just for last-resort housing provisions. **Chapter RA-500** and the last-resort provisions permit variations of the usual methods of obtaining comparable replacement dwellings; however, these variations are not to result in an involuntary lowering of housing standards or quality-of-living style for the displacee.

When comparable replacement housing, as described in **RA-508-1** and **RA-508-2**, “Comparable Replacement Housing,” is not available to a displacee, such housing may be provided directly or through third parties by:

- Rehabilitation of or additions to an existing replacement dwelling
- Construction of a replacement dwelling, which the district coordinates with the Relocation Branch Manager

In any phase, construction of replacement dwellings on projects with federal aid is to be coordinated with the Federal Highway Administration (FHWA) through the Department of Highways’ Central Office.

When using last-resort housing payments, the file is to be documented with all information showing a search was performed for replacement sites considered suitable for relocation.

Consideration is to be given to the displacee’s commuting distance currently traveled and proximity to place of employment, schools, medical facilities, and churches.

Other potential neighborhoods considered are to be listed, including any adversities or benefits these might bring the displacee.





## RELOCATION ASSISTANCE

### Chapter

## LAST-RESORT HOUSING

### Subject

Last-Resort Housing Payments for  
180-Day Owner-Occupants

### GUIDELINES:

If the purchase supplement payment exceeds the \$22,500 maximum, it is considered a last-resort housing payment. If the replacement housing supplement payment exceeds the applicable \$22,500 maximum because of the combined reimbursement of incidental expenses or a mortgage-interest differential, it is considered a last-resort housing payment.

The purchase supplement that is a last-resort housing payment is to be paid in a lump sum and must be applied directly to the replacement housing solution.

For an owner who chooses to rent instead of purchase and the calculated purchase supplement, incidental expenses, and increased interest exceed \$22,500, the calculated rent supplement can exceed \$5,250. However, the computed rent supplement payment may not exceed the calculated purchase supplement payment. All housing supplements must be applied to the dwelling solution and proof is required in the file.

When an owner must rent rather than purchase due to (1) inability to obtain financing, (2) health, (3) disability, or (4) other physical or financial hardship, the rent supplement can exceed \$5,250, even if the calculated purchase supplement, incidental expenses, and increased interest do not exceed \$22,500. The file must be documented if a bona fide hardship beyond the control of the displacee exists and renting is the only manner in which the displacee can obtain comparable replacement housing. The computed rent supplement may not exceed the calculated supplement. It is last resort if it exceeds the \$22,500. All rental supplements will be applied to the replacement site for the 42-month period.







## RELOCATION ASSISTANCE

### Chapter

### LAST-RESORT HOUSING

### Subject


Last-Resort Housing Payments for  
90-Day Occupants

#### GUIDELINES:

If the rental-assistance payment for a 90-day occupant exceeds the \$5,250 maximum, it is considered a last-resort housing payment.

The rental-assistance payment that is a last-resort housing payment will typically be made in annual installments. The district may recommend on a case-by-case basis that for good cause the payment should be made in a lump sum. The file must be documented that the payment went toward the housing solution. For methods or options see **RA-703**.



 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>LAST-RESORT HOUSING</p>
	<p><i>Subject</i></p> <p>Less-Than-90-Day Occupants Eligibility Criteria</p>

**ELIGIBILITY  
CRITERIA:**

For eligible displacees, last-resort housing payments will be made to the following:

- Displacees who have occupied the property to be acquired for less than 90 days prior to the initiation of negotiations
- Displacees who have occupied the property to be acquired subsequent to the date of the initiation of negotiations

All displaced persons who are less-than-90-day occupants are eligible to receive advisory assistance and move-cost reimbursement.

Under special circumstances displaced persons who are less-than-90-day occupants may be eligible for a replacement-housing payment, provided they meet the criteria set out in 49 CFR 24.404.

The department shall provide assistance to a displacee who is not eligible to receive an RHP under 24.401 and 24.402 because of failure to meet the length-of-occupancy requirement when comparable replacement rental housing is not available at rental rates within the person's financial means, which is set out in the annual table generated by HUD for each county in the state. The displacee must be qualified as "low income" by this schedule before the 30 percent rule can apply. Such assistance shall cover a period of 42 months.

There can be a direct payment to a displaced person under last-resort housing. The payment may be made to a third party or in installments. Adequate records of all transactions should be kept. Refer to **RA-701**. Each case shall be reviewed to determine if it is in the best interest of the person or family.

The department is to inform a less-than-90-day occupant that it is his or her obligation to provide verification of income. No such displacee is to be determined to be eligible for a replacement-housing payment unless the displacee documents income through a verifiable source, such as pay stubs, signed copies of income tax returns, a statement from a social service agency, an employer's statement, or a bank statement.





## RELOCATION ASSISTANCE

### Chapter

### LAST-RESORT HOUSING

### Subject

Computation of Replacement-Housing  
Payments for Less-Than-90-Day  
Occupants

**OVERVIEW:** The less-than-90-day occupant-owner or tenant who cannot be moved because of financial means, lack of resources to relocate the person into, or health or handicapped challenges would qualify for a last-resort housing payment.

**COMPUTATION:** The payment is to be 42 times the amount obtained by first verifying the displacee qualifies as “low income” according to the published HUD schedule for each county and then subtracting 30 percent of the gross monthly income of the displaced household from the lesser of:

- The monthly rent and estimated average monthly utilities for a comparable replacement dwelling
- The monthly rent and estimated average monthly utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displacee

The displaced person may choose to apply this payment as a down-payment supplement (see **RA-500**, “Replacement-Housing Payments”). The agency must be able to certify that the displacee benefiting from the last resort housing provision will be able to financially manage the future long-term housing solution.

The application of the last-resort housing provision must also demonstrate that it is a cost-effective solution for the Cabinet’s investment.

For less-than-90-day owners, economic or market rent is to be established for the displacement dwelling in order to compute the replacement-housing payment.

The same benefits apply to less-than-90-day owners and less-than-90-day tenants. The file needs to contain approval, supporting documentation, and proof that any supplement is applied to the housing solution.





## RELOCATION ASSISTANCE

### SECTION 8 & OTHER HOUSING PROGRAMS

#### *Subject*

Public Housing As Comparables

#### **GUIDELINES:**

Regulations require that comparable replacement housing for persons not currently receiving assistance under any government housing programs must be available on the market without any subsidy under a government-housing program.

A public-housing unit may qualify as a comparable replacement dwelling only for persons displaced from a similar situation. It is the same for a comparable that is privately owned with a subsidy tied to the dwelling. This housing can be used only if the relocatee is being moved from the same situation.

#### **GAP PAYMENT:**

Also, a person currently holding a Section 8 certificate or other housing program subsidy in which the payment is based upon the individual and not tied to a building may have this program reflected in an offer of a comparable replacement dwelling. Consultation and approval of the subsidizing agency that the subsidy will move with the displacee must be obtained first. The RHP will consider this subsidy by subtracting it from the replacement comparable. All inspection of the housing must meet the housing requirements of the subsidizing agency.





## RELOCATION ASSISTANCE

### SECTION 8 & OTHER HOUSING PROGRAMS

#### *Subject*

Public Housing As Replacement

#### **POLICY:**

If a person accepts assistance under a government-housing program when moving into the replacement dwelling, the rental-assistance payment should be computed on the basis of the person's actual out-of-pocket cost for the replacement dwelling.

For example, a person moves from a substandard dwelling where he or she was paying by himself or herself the \$200 per month in rent and utilities. The person relocates to a government-subsidized unit wherein he or she will pay \$75 per month, and the remaining \$375 in rent and utilities will be government-subsidized. In this case the rental supplement would be \$0 because the relocatee's out-of-pocket expenses are less than they were in the acquired dwelling even though the monthly rent is much higher.





## RELOCATION ASSISTANCE

### SECTION 8 & OTHER HOUSING PROGRAMS

#### *Subject*

Offering Public Housing

#### **POLICY:**

Even if a person did not receive public housing assistance prior to displacement and the replacement comparables do not contain any government subsidy ties, this does not prohibit another agency from offering assistance under a government-subsidized housing program.

In some instances it may be in the person's best long-term interest to attempt to obtain subsidized housing. An example of this may be a situation where, because of low income and a substandard displacement dwelling, a person qualifies for a maximum rental subsidy of \$5,250. He or she qualifies for the payment, but when the 42 months of the subsidy expire the person can no longer afford the replacement dwelling and must move into another substandard dwelling if one can be found.

Instead of the rental subsidy, the person may be able to obtain government-subsidized housing, which will normally be available until it is no longer required. However, there cannot be any duplication of benefits from two or more government agencies.

The agency is obligated to inform the person of all options and provide advisory services explaining the pros and cons of these options.





## RELOCATION ASSISTANCE

### SECTION 8 & OTHER HOUSING PROGRAMS

*Subject*

HUD-Funded Programs

**POLICY:**

Two of the significant housing programs in use are the Section 8-certificate program and the Housing Vouchers program. These programs can make affordable housing available for eligible persons and offer long-term rental subsidies in excess of The Uniform Act's forty-two month limitation. Each of these programs typically entails a payment to the landlord directly from the local housing authority, coupled with a payment to the landlord made by the tenant.




 <p><b>RELOCATION ASSISTANCE</b></p>	<p><i>Chapter</i></p> <p>EXHIBITS</p>
	<p><i>Subject</i></p> <p>Table of Exhibits</p>

EXHIBIT NUMBER	FORM TITLE	FORM NUMBER
01	600 KAR 3:010 (30 pages)	(none)
02	Record of Contacts (4 pages)	TC 62-77
03	49 CFR, Part 24, Uniform Relocation Assistance & Real Property Regulations for Federal & Federally Assisted Programs (50 pages)	(none)
04	Move Claim—Residential (1 page)	TC 62-99
05	Relocation Assistance Opinion Survey (1 page)	TC 62-91
06	Certified Inventory (2 pages)	TC 62-68
07	Relocation Project Summary (2 pages)	TC 62-97
08	Nonresidential Payment Request (3 pages)	TC 62-207
09	DS&S Inspection Report (1 page)	TC 62-67
10	Replacement Housing/Down Payment Assistance Residential Claim (2 pages)	TC 62-215

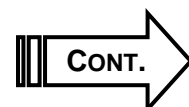




EXHIBIT NUMBER	FORM TITLE	FORM NUMBER
11	Rent Claim (1 page)	TC 62-71
12	Replacement Housing Payment Computation— Owner	TC 62-212
	Replacement Housing Payment Computation— Tenant	TC-62-213
	Replacement Housing Payment Computation— Correlation (3 pages)	TC 62-63
13	Mortgage Interest Rates (1 page)	TC 62-50
14	Mortgage Information (1 page)	TC 62-59
15	Closing Statement (1 page)	TC 62-48
16	Replacement Housing Worksheet Nonresidential Worksheet (2 pages)	TC 62-214 TC 62-208
17	Hazardous Substances Notice (1 page)	(none)
18	Legal U.S. Resident Certification (1 page)	TC 62-10
19	Payment Summary—District Payment Summary—Fee (2 pages)	TC 62-209A TC 62-209B
20	Request for Relocation Review/Appeal (1 page)	TC 62-216
21	Moving Expense Estimate/Bid-Nonresidential (1 page)	TC 62-206
22	Rent Certification (1 page)	TC 62-58
23	Relocation Payment Summary (1 page)	TC 62-210

